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Senate

The Senate met at 11 a.m. and was called to order by the Honorable JOHN ENSIGN, a Senator from the State of Nevada.

PRAYER

The Chaplain, Dr. Barry C. Black, offered the following prayer:

Let us pray.

Eternal Lord God, You are our hiding place. You alone are our mighty rock and fortress. Thank You for providing us with shelter from life's storms and for making us Your children. Teach us to serve and honor You.

Strengthen our Senators and give them inward peace. Infuse them with the wisdom that strives for faithfulness. Let that faithfulness so energize them that harmony will overcome discord. May the effects of this unity be felt in our Nation, inspiring people to seek for common ground.

Bless and protect America. Make it a land that provides freedom's lamp to our world. Sustain our military and provide for its needs, according to Your glorious riches and power. We pray this in Your Holy Name. Amen.

PLEDGE OF ALLEGIANCE

The Honorable JOHN ENSIGN led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. STEVENS).

The legislative clerk read the following letter:

U.S. SENATE,

PRESIDENT PRO TEMPORE,

Washington, DC, September 23, 2004.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby

appoint the Honorable JOHN ENSIGN, a Senator from the State of Nevada, to perform the duties of the Chair.

TED STEVENS,
President pro tempore.

Mr. ENSIGN thereupon assumed the Chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

SCHEDULE

Mr. FRIST. Mr. President, this morning, the Senate will conduct a period of morning business for up to 30 minutes, with the first 15 minutes under the control of the majority and the following 15 minutes under the control of the Democratic leader or his designee. Following morning business, we hope to begin consideration of the Foreign Operations appropriations bill under a limited agreement on amendments. It is very important we address that bill. We have made good progress this week on the appropriations bills. As we set out last week, for this week the focus needed to be to address as many of the appropriations bills as possible. It is my hope that following morning business we can go directly to the Foreign Operations appropriations bill, deal with those amendments today, and vote on that bill today.

We are also waiting to receive the family friendly tax cut conference report from the House of Representatives later today. We will complete action on that measure before we adjourn for the Yom Kippur holiday, which begins tomorrow evening.

I know both of these issues are issues people have been addressing and have thought about, and I am confident we can do those over the course of the day and/or tomorrow morning. I do want, because I know people have travel

plans for tomorrow afternoon, to be able to complete that either this afternoon or tonight or tomorrow. Again, I think we can do them both today. I just want all of our Senators to work together and talk to the managers of both bills, if people have concerns, over the course of the morning.

SPEECH OF PRIME MINISTER ALLAWI OF IRAQ

We have just completed a wonderful and, I should add, inspiring joint meeting of Congress with Prime Minister Allawi, just 15 or 20 minutes ago. Indeed, he laid out both the great progress that has been made but his absolute commitment to free and fair elections in January in Iraq, making the statement that he understands that, because of the intent of terrorists to disrupt those elections, it is going to be very tough.

He looked at it very realistically. He said the elections will be fair and free, recognizing that in other great countries today, when they had their first elections, as they moved toward democracy, it was challenging. He recognizes those challenges. But again and again, to standing rounds of applause, he expressed his commitment to those elections in January.

Mr. President, I will close by saying Members can expect a busy afternoon with votes throughout the day. If we are to finish those bills, and we cannot do them over the course of the afternoon, we might well stay into this evening. So I encourage people to keep their schedules flexible. If we finish our business today, of course, we would not have to vote tomorrow morning. But these are two important pieces of legislation that we need to address.

Next week—and the reason there is this time sensitivity—we will have an issue which really rises above all others; that is, the safety and security of the American people. We have been addressing appropriate intelligence reform, addressing it in committee very satisfactorily in a very productive way

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.



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over the course of this week. That intelligence reform is now out of committee and ready to be brought to the floor, or will be shortly after the appropriate paperwork and processing is done. The intent would be to go to that Monday as the next order of business. That is why we really need, as leadership from both sides of the aisle, to have people focused on the immediate business before us, in an orderly, systematic way, so we can turn our attention on the floor to the report that has come out of the Governmental Affairs Committee as it deals with intelligence.

With that, Mr. President, I yield the floor.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. The Democratic leader is recognized.

ORDER OF PROCEDURE

Mr. DASCHLE. Mr. President, I ask unanimous consent that when we move to morning business Senator KENNEDY have the first 15 minutes of the time allotted to the Democratic caucus.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SPEECH OF PRIME MINISTER ALLAWI

Mr. DASCHLE. Mr. President, I share the view of the majority leader that we have just experienced a historic moment. Prime Minister Allawi spoke for all of us as he expressed the hope and vision for democracy in his country. His speech was eloquent, and I believe it was a stirring reminder of the importance that we all must place on the ongoing effort to ensure that the people of Iraq have an opportunity to experience democracy for the first time in their history.

I ask unanimous consent that the speech be made a part of the RECORD.

(The speech is printed in today's RECORD of the House Proceedings at page H7446.)

COMPLETING SENATE BUSINESS

Mr. DASCHLE. Mr. President, I also note the interest of leadership on both sides in following through with what the majority leader has just described. I think it is important for us to complete the work on the tax bill this morning, or this afternoon at the latest. I have no indication there is an objection to bringing up the conference report. I hope we could have a short period for deliberation and a vote.

We would be prepared to move to the Foreign Operations bill with or without an agreement. There is no opposition to moving to the bill on our side. Again, it provides an opportunity to

complete yet one more appropriations bill this week.

So I am hopeful we can complete our work on time. I would hope we could do so this afternoon. I do think that in respect for the Jewish holiday it is important for us to complete our work to allow Senators the opportunity to travel tomorrow.

Next week, we look forward to the debate on the legislation passed out of the Governmental Affairs Committee regarding recommendations from the 9/11 Commission. Again, as I have said several times this week, I think that our two leaders, Senators COLLINS and LIEBERMAN, have done an outstanding job. I would hope that the spirit of bipartisanship that was so clearly on display during those deliberations could be achieved in equal form here on the Senate floor next week and, I might say, as we go to conference.

I heard some disconcerting news this morning that there are some in the House of Representatives who may want to insert in this legislation extremely divisive and counterproductive language having to do with expansion of the PATRIOT Act. Whether we ought to expand the PATRIOT Act is certainly a matter for debate, but if we are going to maintain that kind of bipartisan spirit, provisions such as those could be extraordinarily counterproductive. I think we need to be very concerned as we complete our work that we do so in as broad a bipartisan fashion as was demonstrated in the Governmental Affairs Committee.

NEED TO VOTE ON REIMPORTATION

Mr. DASCHLE. Mr. President, we have just two short weeks before the Senate is scheduled to adjourn. Regrettably, this Congress seems on track to be remembered for all the different challenges it failed to confront.

Forty-five million Americans lack health insurance, and this Congress has done nothing to lower the cost of health care. Medicare premiums are set to rise 17 percent next year, and yet this Congress has done nothing to keep these increases from eating into seniors' Social Security benefits. Eight million Americans are out of work, and we have let a jobs bill that would stop the flow of American jobs overseas languish on the shelf.

America deserves better.

Today I want to talk specifically about an issue that has strong bipartisan support, is vitally important to millions of Americans, and one that we felt the majority leader was committed to considering. I am talking, of course, about the price of prescription drugs.

Each year, the cost of prescription drugs outpaces inflation and moves further out of reach for far too many Americans. This is particularly tough on seniors, many of whom are living on fixed incomes. The AARP revealed last week that during the first quarter of 2004, drug prices rose more than three-

and-a-half times the rate of inflation, and there is no end in sight.

The typical senior will pay \$191 more for their drugs this year than they did in 2003. This has sent a lot of seniors looking for solutions, and many are looking to Canada.

Recently, a man in the town of Mitchell, SD contacted my office with a question: Was the prescription drug card he was considering better than the savings he was getting in Canada? The answer is that it wasn't. He and his wife were saving 50 percent when they got their drugs from Canada, much more of a benefit than they would get from the drug card.

His doctor told him what he was doing was safe; his wife's quilting group was very excited about the savings they could get. There was only one problem: they were afraid what they were doing was illegal. Technically, what they wanted to do—purchase in Canada the same, safe, doctor-prescribed and FDA approved drugs that they would get in America—is illegal. And the only reason that it is illegal is because there are those who would put the profits of drug companies over the needs of America's seniors. That needs to change.

The drug companies and their friends in Congress have tried to stop straightforward reforms by making the issue of health care appear complicated or even dangerous. The White House tells us that reimportation wouldn't be safe. But just the other day, an executive from Pfizer said it was "outright derogatory" to suggest that reimportation wasn't safe. These are the same drugs, manufactured to the same safety standards.

What is not safe is when seniors skip doses or split pills because they can't afford their full prescription. That is the real safety issue.

There is not mystery to bringing down drug costs. You don't need a PhD in economics. You just need common sense. If two stores offer the exact same product, you save money if you buy it from the store that is selling it for less.

It works the same for medicine. Drug companies charge American consumers the highest prices in the world. Some medicines cost American patients five times more than they cost patients in other countries.

By giving Americans the freedom to find the best price, we can lower the cost of prescription drugs for all Americans. This isn't a Republican solution or a Democratic solution. It is a common-sense solution.

What doesn't make sense is why we haven't done this already. In March, the Republican leader said that we would begin a process of "developing proposals to allow for the safe reimportation of FDA-approved prescription drugs." But, the Republican leader was quoted as saying it was doubtful that we would have the opportunity to vote on prescription drug reimportation legislation.

A number of us have sent a letter asking the Republican Leader to reconsider his position and allow us to vote on our legislation legalizing reimportation before the Senate adjourns.

This problem isn't going to go away if we ignore it. It has gotten worse for the past decade, and it will keep getting worse until we act. Tomorrow, hundreds of seniors will gather outside the Capitol to make their voices heard on this issue. Those voices must also be heard inside the Capitol as well.

It is time we make the statement that the pocketbooks of Americans are more important than the profits of big drug companies. It is time the Senate got a chance to provide seniors real, meaningful relief from high drug costs.

I yield the floor.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will be a period for the transaction of morning business for up to 30 minutes, with the first 15 minutes under the control of the Democratic leader or his designee, and the final 15 minutes under the control of the majority leader or his designee.

The Senator from Massachusetts.

WELCOMING PRIME MINISTER ALLAWI

Mr. KENNEDY. Mr. President, if the Chair would let me know when 13 minutes have expired, I would appreciate it.

First, I want to join with others in expressing a welcome for the comments of Prime Minister Allawi which we just heard in the House Chamber in the joint meeting. His challenge in governing and stabilizing Iraq is enormous. I believe that challenge has been made far more difficult by the continuing mistakes and persistent miscalculations of the Bush administration. Our policies are failing. We need to correct our course in order to stay the course, guarantee success, and bring our troops home with dignity and honor.

HEALTH CARE

Mr. KENNEDY. Few if any issues are more important to American families than health care—and in few areas has this Administration failed more dismally. Its record is marked by inattention, incompetence, and outright deception. And because its record is so weak, its campaign strategy is based on false attacks on JOHN KERRY's plan.

The Administration's failures have been especially damaging for senior citizens and Medicare. Today's seniors

built our country. They stood by it through World War II and the Cold War, through good economic times and bad. Medicare is a commitment to stand by them, to guarantee the affordable health care they need in their retirement.

As George Bush said in his acceptance speech to the Republican convention on September 2, "we have a moral responsibility to honor America's seniors." He's right about that—but senior citizens know that on Medicare, George Bush may say the right words, but he constantly does the wrong things.

The Medicare crisis gets worse every day for our seniors. The Administration's Medicare bill was passed by Congress, but only after the Administration concealed its true cost—and broke the law in the process. Now they are at it again. As the Washington Post reported last Sunday, the Administration concealed internal estimates showing that the cost of the bill is even higher—\$42 billion higher—than they admitted in January.

Last week we learned that the Administration has suppressed estimates showing that Medicare cost sharing and premiums will eat up more than 40 percent of the total Social Security benefit of the typical 85 year old. Three weeks ago, the Bush Administration announced the highest premium increase in Medicare's entire history.

That's the Bush doubletalk in action. Pledge to honor our senior citizens on September 2, impose the highest Medicare premium increase in history on September 3, hide the truth about the erosion of Medicare on September 14, and suppress yet another estimate of the cost of the Medicare bill on September 19. And that's just in the last three weeks. If George Bush gets four more years, senior citizens will fare even worse.

The basic problem with George Bush on Medicare is that he puts the interests of drug companies and HMOs first and the needs of senior citizens last. The Medicare bill forces 15 million senior citizens to pay more for their prescription drugs than they do today. It causes 3 million retirees to lose their good retirement coverage. It forces 6 million of the poorest of the poor—the elderly and disabled under Medicaid—to pay more out of pocket for their prescription drugs. It requires 6 million senior citizens to pay more in premiums than they will get back in benefits. Its high deductibles, high premiums and huge coverage gaps leave large numbers of senior citizens unable to pay their drug bills.

The Administration's Medicare bill also prohibits safe drug imports from Canada, so that drug companies can continue to gouge Americans, while citizens of Canada are able to buy the same drugs at half the price. The bill prohibits Medicare from negotiating drug discounts so that senior citizens can get fairer prices. The bill gives drug companies \$139 billion in windfall profits. It gives HMO's \$46 billion in

unfair subsidies, instead of using those funds for a decent drug benefit or to keep premiums at affordable levels.

Every major company and every major health plan in America negotiates prices for drugs. The Veterans Administration does it to see that veterans pay fair prices for the drugs they take. But when it comes to using the negotiating power of Medicare, the Bush Medicare bill says, "Oh, no—not for senior citizens."

George Bush must think the CEOs of the drug companies need senior citizens' money more than senior citizens do. Senior citizens are living on fixed incomes—and his Medicare bill is a fix to give away millions to drug industry CEOs.

Not only does the Bush Medicare bill block imports of drugs at fair prices, the Bush Administration and the Republican Congress won't even allow a vote on bipartisan legislation to give senior citizens and all other Americans safe access to affordable imported drugs.

President Bush said in Muskegon, Michigan, two weeks ago that he opposed drug imports because he wants to make sure the drugs were safe. Our GOP Senate Majority Leader says he won't allow a vote on the issue in the Senate, because he wants to protect Americans from unsafe drugs.

The safe drug argument is a sham. Our bipartisan bill guarantees safety. The only drugs that can be imported are drugs approved by the FDA and manufactured in FDA approved plants. The fact is that George Bush and the Republican leadership won't allow a Senate debate because they're afraid to defend their position before the full Senate, afraid of the accountability that a Senate vote gives the American people. The real safety issue for George Bush is the safety of the profits of the big drug companies, not the safety of American patients.

According to another revelation in the very last paragraph of last Sunday's Washington Post article, of all the money that the Bush Medicare drug bill lavishes on HMOs, only about 5 percent goes for increased benefits to patients. The rest goes for HMO profits and excess costs.

This Administration has been touting all the wonderful extra benefits for senior citizens who give up their regular Medicare and join a Medicare HMO. That's no justification for the \$1,000 in overpayments that the Medicare trust fund gives to HMOs. If those extra benefits are needed, they should be available to every senior citizen—not just those who join an HMO. But it turns out that the vast majority of that overpayment—according to the Bush Administration's own estimate—doesn't benefit senior citizens at all. It benefits HMO profits.

For this President, when he says "honor senior citizens," he really means honor big drug companies and big HMOs.

President Bush also said this month that health care needs to be modernized to “reflect the world in which we live.” In the world he lives in, it’s OK for drug companies to make billions, while seniors have to choose between the pills they need and putting food on the table. In the world President Bush lives in, the Medicare seniors know and trust will be turned over to the tender mercies of HMOs. In the world he lives in, he abandons the guarantee of Social Security and risks savings by seniors on the whims of the stock market. But that’s not the world senior citizens live in—and it’s not the way to honor senior citizens.

The health care record of the Administration isn’t just a failure for senior citizens. It’s a failure for every American family.

Health care costs are out of control. Annual spending on health care has increased from \$1.3 trillion when the Administration took office to \$1.8 trillion today. That’s an increase of half a trillion dollars in just four years.

American families are being pushed to the wall by those cost increases. Health insurance premiums have increased 59 percent in the past four years. The cost of insurance for a family has increased by almost \$3,000. This year, premiums for family insurance will climb to \$10,000.

Drug costs are out of control. According to the most current data, they increased 52 percent in the first three years of the Administration. The President not only hasn’t done anything to cut drug costs, he opposes any steps that would do something. He won’t support anything that threatens the swollen profits of his friends in the pharmaceutical industry.

The crisis of the uninsured is also out of control. Under this Administration, the number of the uninsured has soared by more than a million a year, to 45 million Americans today. Last year, one in three Americans—82 million—were without coverage for an extended period. No American family is more than one pink slip or one employer decision to drop coverage away from being uninsured.

Whether the issue is health costs, or the number of uninsured, or Medicare, President Bush knows he can’t run in his record. Instead, he tries to divert attention from what he’s done by invoking the same tired old charges that the right wing always trots out against progressive health care solutions—the same charges they made against Medicare. In 1964 and 1965, when the Medicare debate was at its height, Republicans said Medicare was “socialized medicine.” They called it a “crackpot scheme.” They said it was a “government invasion” of health care.

Fast forward forty years. Here’s President Bush on JOHN KERRY’s plan: “A government takeover of health care.” It’s a new century but it’s the same old GOP line.

The Kerry plan will give all Americans the same access to the same af-

fordable, private health coverage that is available to every member of Congress and the President, too. Is that a government take-over of health care—or is it just plain fair?

The Kerry plan provides tax credits to help small employers pay for private health insurance for their employees. Is that a government take-over—or is that just common sense?

The Kerry plan authorizes people 50 to 64 with serious health problems and no access to affordable insurance to buy into Medicare. Is that a government take-over—or is that just compassion for people in need?

The Kerry plan helps unemployed workers pay the cost of extending their private, on-the-job insurance coverage if they’re laid off. Government take-over? Let’s get serious.

The Kerry plan expands Medicaid and CHIP for low income adults and children so that people whose employer doesn’t provide health insurance and who can’t afford it on their own can get the coverage they need. Is health insurance for every American child a government take-over—or is it just the right thing to do?

The Kerry plan reduces private health premiums for everyone by 10 percent, by helping private insurance pay for the most costly illnesses. Is that a government takeover—or is that a creative idea to deal with the explosion in costs?

The Kerry plan cuts health care costs by reducing sky-high administrative costs and paperwork, and by helping doctors and hospitals provide better quality care. Is that a government take-over—or just following the advice of the best medical experts?

The bottom line is that the Kerry plan will provide quality health insurance for two-thirds of the uninsured—27 million people. It will lower costs for every American. It will improve quality. It’s a good idea.

George Bush knows he can’t win the argument if he talks about JOHN KERRY’s actual proposals, so he resorts to attacks that deceive and frighten. The Bush record: failure. The Bush response: fear and smear.

President Bush knows he can’t run on his record, so he’s offering the old right-wing proposals dressed up in shiny new clothes. They’re proposals he’s had four years to enact, and couldn’t, because too many Republicans oppose them too. They’re proposals that won’t help working families, even if they’re enacted. They’re nothing more than thinly disguised giveaways to special interests.

It offers refundable tax credits for the uninsured, but the priority it places on these credits is so low that it funds them only if unidentified, offsetting cuts are made in programs like Medicare and Medicaid. The credits are too small to do any good anyway, even if they’re funded.

They propose Association Health Plans, but that program has little to do with expanding insurance coverage

for small businesses and everything to do with giveaways to Republican trade associations. The Congressional Budget Office says the proposal will actually raise premiums for 20 million Americans working for small businesses.

The Bush plan proposes new tax breaks for the wealthy by squandering even more scarce federal funds on Health Savings Accounts. Those accounts will cost taxpayers \$41 billion over the next 10 years—and they will raise premiums 60% or more for people who need conventional insurance. Health Savings Accounts say to American families: You don’t pay enough for health care. You’re wasteful. You should spend \$3,000 out of your own savings before health insurance helps you pay your costs. That’s Alice-in-Wonderland logic—and hard-pressed American families won’t buy it.

The President also touts caps on malpractice insurance premiums as an answer to rising health care costs. JOHN KERRY has tort reform proposals to help doctors faced with excessive premiums. But the idea that capping medical malpractice awards will solve the health care crisis can’t pass the laugh test. Malpractice premiums account for less than 2 percent of health care costs, and the Congressional Budget Office says that capping awards will produce minimal savings.

A million and a half low income Americans—500,000 of them children—have already lost health insurance coverage under Medicaid and CHIP because states struggling with budget shortfalls created by the Bush recession have cut back on the program. But instead of offering relief to states, the Bush budget proposed another \$24 billion in Medicaid cuts. You don’t hear the President talking about that.

The President said in his acceptance speech that “America’s children must also have a healthy start in life.” He then had the gall to say that in his next term “We will lead an aggressive effort to enroll millions of poor children who are eligible but not signed up for the government’s health insurance programs.” I have news for the President. There are \$1 billion in CHIP funds that are now available to provide health insurance for children, but that will revert to the Treasury at the end of this week. If that happens, 200,000 low and moderate income children will lose their coverage. A bipartisan bill is now pending to restore those funds, as we have done in the past. But it’s not even in the President’s budget. Who in the world does George Bush think he is fooling?

To control health costs, the Bush Administration would have to take on its big contributors in the insurance industry and pharmaceutical industry. It won’t do that—so it has nothing to offer. To help Americans afford health insurance, the President would have to put higher priority on health care for working families than on tax breaks for the wealthy. He won’t do that—so he has nothing to offer.

President Bush doesn't understand that American families are tired of just talk. They want action. He's done nothing for four years to help, and now he wants another chance. He doesn't deserve it. JOHN KERRY offers real solutions, not excuses and empty promises. It's time for a change.

The ACTING PRESIDENT pro tempore. The Senator from Nevada.

EXTENSION OF MORNING BUSINESS

Mr. REID. Mr. President, I have spoken with the two leaders. I ask unanimous consent that following the 15 minutes in morning business for the Republicans, which has already been allotted, there be a half hour of additional morning business equally divided between both sides. There will be no who is first. It will be whoever gets the floor during that time. An additional half hour, and each side will get 15 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from Oklahoma.

"ILLEGAL" WAR AND THE RULE OF LAW

Mr. INHOFE. Mr. President, I had the opportunity to watch Kofi Annan, the United Nations Secretary General, address the U.N. delegates. I wish he had seen what we all witnessed a few minutes ago when the great Prime Minister Allawi from Iraq gave one of the best messages I have ever heard to a joint meeting.

Much has been made about the Secretary General's remarks in an interview last week in which he called the war in Iraq "illegal." Several of my colleagues, including Senator COLEMAN, have addressed this issue on the Senate floor, so I will not belabor the point. It is not an illegal war.

I would like to reemphasize that the liberation of Iraq was carried out to enforce Security Council resolutions. These were the serious consequences with which Saddam was threatened if he continued his illegal acts—his illegal acts.

Secretary General Annan's remarks seem to be based on the idea that without explicit Security Council permission, any military action is illegal under international law.

I remind my colleagues that in 1999, NATO forces had been conducting air operations in Kosovo for 72 days before the U.N. Security Council passed a resolution granting its blessings. I have not heard any condemnation of the NATO's action as being illegal.

Secretary General Annan's address centered on the rule of law. I want to read a brief excerpt of what he said. He said:

Yet today the rule of law is at risk around the world. Again and again, we see fundamental laws shamelessly disregarded—those that ordain respect for innocent life, for ci-

vilians, for the vulnerable—especially children.

To mention only a few flagrant and topical examples: In Iraq, we see civilians massacred in cold blood, while relief workers, journalists and other noncombatants are taken hostage and put to death in the most barbarous fashion. At the same time, we have seen Iraqi prisoners disgracefully abused.

That is what the Secretary General said.

I am not going to suggest that the abuses of Abu Ghraib prison were not wrong. They were wrong. I will say more about that in a minute.

My point is the Secretary General, by lumping these two things together, has put terrorists and insurgents on the same level as America. This is a fundamental difference between a nation that recognizes the rule of law and punishes its own citizens if they violate it, and groups of outlaws whose charter is written in blood and whose tactics solely rely on violations of the rule of law. The people of the United States should know this, and so should the Secretary General.

The instances of prisoner abuse that have received so much media attention during the past few months were violations of these standards. A handful of the violators were already being punished. It was already taking place long before the media frenzy took place.

America had to deal with Americans violating the rule of law, and it has done so head on. But I suggest the United Nations itself is not above the rule of law. We are just now beginning to learn how the United Nations allowed the U.N. Oil for Food Program to degenerate into little more than another source of income for Saddam Hussein's bloody regime.

The U.N. response to allegations of wrongdoing has been half-hearted at best. Is this the rule of law trumpeted by the Secretary General? Let's be clear. A country's adhering to the rule of law does not mean that its citizens will not do bad things. We must do everything we can to prevent such occurrences, but despite our best efforts or the best efforts in any country, it is not going to be totally successful.

People are, well, only human. We know that. The rule of law is borne out in identifying, condemning, and punishing those who violate the standards on which we all agree. This is exactly what we do in America.

The U.N. states a commitment to the rule of law. We will continue to work with other nations in this international forum to effect change for the better. But I and many of my colleagues share skepticism as to whether the U.N. can effectively realize its noble goals. If the past is any indication, we can expect a lot of talk and very little action.

In Iraq, we are fulfilling, to quote the Secretary General, "our responsibility to protect innocent civilians from genocide, crimes against humanity, and war crimes." If this is not the rule of law, I would like to know what it is.

All the criticisms the Secretary General was aiming at the United States

were refuted directly or indirectly by Iraqi Prime Minister Allawi when he spoke to our joint meeting. I am overwhelmed by it, and certainly hope the Secretary General also heard his greatly, profound remarks.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Missouri.

Mr. TALENT. Mr. President, I have a brief inquiry. My understanding is that with the unanimous consent agreement, I will now have longer than 10 minutes, if I need it, to speak in morning business.

The ACTING PRESIDENT pro tempore. The Senator is correct.

AMERICA HAS A STRONG ALLY IN IRAQ

Mr. TALENT. Mr. President, I thank my friend for his comments. I want to talk about several issues, but let me say with regard to the whole question of illegal status of the freedom we are winning, along with the Iraqi people, in Iraq, there are many people in the international community for whom the definition of "international legality" is quite flexible, depending upon what it is they happen to want at any particular moment.

I was serving in the Congress, albeit on the other side of the Capitol, in the 1990s and remember when, at the urgent request of the Europeans, particularly the western Europeans, the United States assembled a coalition and used its military power to prevent genocide in southeastern Europe, to protect the Kosovars from genocide that was being conducted by Milosevic and the Serbs at the time.

The nations that wanted to do that asked the Security Council for a resolution of support and were denied it because, if you will recall, Mr. President, the Russians threatened to veto it, just as the French indicated 2 years ago they would veto any resolution of support for our action in Iraq.

Now you would think that to be consistent with the position they are now taking, some of the Western European countries, in particular the French and Germans, would have said at the time, If you can't get a Security Council resolution, then we don't want to intervene in Kosovo and prevent genocide there. But that was not the position they took at all. They insisted, they urgently pleaded with the United States to lead a coalition of nations to intervene for humanitarian reasons at that point, notwithstanding the fact they could not get a Security Council resolution because they recognized then what we have been consistent in recognizing all along: That we always seek the support of international alliances, and we have support of an international coalition in Iraq. We always seek to operate within international bodies and get the support of the U.N. when possible, but we protect our freedom with or without the support of that body in any given circumstance.

That is what we did in Kosovo when we prevented genocide, and that is what we are now doing in Iraq.

I want to add a few more words along those lines and then talk some about health care. Let me say how moved I was by the eloquence of Prime Minister Allawi and the way in which he represented the aspirations of freedom and free people everywhere.

I think of two statements in particular, one in which he quoted Prime Minister Blair in saying that whenever people are given a choice, they choose freedom over tyranny, democracy over dictatorship, and the rule of law over the rule of the secret police. It does not matter whether the people who are being asked to choose are of the Islamic faith or the Christian faith or the Jewish faith or any other faith; it does not matter where they live or the circumstances under which they are raised; there is a universal desire placed in the human heart by our Creator for freedom. We are seeing that desire in Iraq, and we saw it with Prime Minister Allawi today.

I was tremendously impressed by his courage. He probably has the biggest target on his back of anybody in the free world, and yet he stood there and said not only do the Iraqi people want freedom—and I made a note of this comment—as you have stood with us, we will stand with you in the ongoing battle against terrorism.

I think this is a vindication of the underlying strategy that the United States is following with its allies and the coalition in freeing Iraq.

There were two strategic goals in going into Iraq. One of them was to remove a regime and a person who even if there had never been a 9/11 was on his own a serious organic threat to the security of the region and the freedom of the United States.

We saw this and lived it in the 1990s. We saw him attack his neighbors twice. We saw him plow missiles into his neighbors. He developed weapons of mass destruction. He had stockpiles of sarin gas and other chemical and biological weapons. He showed he was willing to use them on his own people and on his neighbors.

We had tens of thousands of American personnel, American airplanes and warplanes in the region specifically designed to contain him year after year. I could see the Clinton administration building up toward a policy that would end this threat to American interests and American freedom and the stability of the region, and it was necessary to remove him. That was part one.

Part two, necessitated by 9/11, was to replace Saddam Hussein, in corroboration with the Iraqi people, with a democracy that respected human dignity, stood for human rights, would fight for human rights and be an ally with us in the war against terrorism. We heard from Prime Minister Allawi today the determination of the Iraqi people to do that and to be an ally.

I was greatly encouraged that this man, who represents a nation that is in some turmoil, that is coming out of decades of totalitarian rule and terror and is in a weakened condition, stood defiantly against the terrorists with courage. Many others, who are in stable countries and have much more power, are trying to appease them. The Iraqis know the danger of tyranny and terrorism. They have lived it, and they are going to stand with us in fighting it in the future.

The existence of this new democracy in Iraq will be a standing rebuke to the vision of the terrorists of a Pan-Islamic world dominated by terrorism, totalitarianism, and twisted religious extremism. Prime Minister Allawi made that point clearly and made it without apology to anybody, and he made it again and again. And have we not seen several of those from the dais on the other side of the Capitol in this Congress? I thought it was an inspiring and brilliant speech. We owe it to ourselves, to our own freedom, to our allies and our own courageous people to see this through and to win this in Iraq.

I was also tremendously encouraged by his statement that we are succeeding there. Anybody who looks at the facts in an unbiased way can see that. Most of the country is stable. We are constantly seeking new ways to stabilize the rest of it, in part through the application of military power on our own or with our allies, in part through negotiations with people who are not yet committed completely to the terrorists on the other side. He made that very clear. They are using a combination of political and military tools to stabilize the country in anticipation of the elections in January. Hearing him, I have full confidence those elections will go forward.

I am proud of what we have done there and proud of the resolution of the American people. I want my constituents in Missouri and constituents around the country to take satisfaction in what we have done through their resolution and through the sacrifice of the men and women in the American military.

HEALTH CARE IN AMERICA

Mr. TALENT. Mr. President, I will take also a few minutes, putting on a little different hat because I had not intended to talk about health care today, but my friend from Massachusetts spoke with his usual vigor and eloquence on this subject and I thought perhaps a few words in response were warranted.

I agree with my friend about one thing—there certainly is a very big difference between the approach of the President to resolving the problem of the uninsured and costs in health care and the approach of my friend and his colleague from Massachusetts, Senator KERRY. There is no question that there is a problem in this country because

too many people do not have health insurance. I have been leading a fight on this issue for at least 7 or 8 years. There are about 45 million people who at any given time are uninsured. The interesting thing is that most of those people are working people, and they are working on farms or for small businesses.

There is a reason why a disproportionate number of the people who are uninsured are working for small business. It is because health insurance costs more to purchase for small groups. The administrative costs to small businesspeople of buying health insurance for their employees is about three times the administrative costs of buying it for national pools, for the employees of big companies.

It is interesting to note that if one looks at the people in the country who have health insurance, everybody, except the employees of small business, gets their health insurance through some kind of national pool, public or private. They are either employees of big national companies, they have it through a big labor union plan, they work for the Federal Government, or they are participants in Medicare or Medicaid. Everybody else is part of a big national pool because of the efficiencies and the lower costs that are available if one does that except the employees of small business and farmers who are relegated to trying to buy health insurance to cover 5-, 6-, 8- or 10- people units. It costs more. They do not get as much health insurance for it. In many cases it becomes unaffordable, so the small business does not provide health insurance at all to their employees.

How many more minutes do I have? I do not want my eloquence to consume all of my time.

The PRESIDING OFFICER (Mr. INHOFE). The first half hour of morning business has expired. We are now into the second half hour, and we are at the beginning of the majority's 15 minutes.

Mr. TALENT. So approximately 15 minutes remaining. I thank the Chair.

I have talked literally to hundreds of small businesspeople who are suffering with this problem. They want to provide health insurance to their employees. They would like to because, of course, in almost all cases the owner is an employee of the corporation, like my brother is, for example. He runs a little restaurant in Missouri. He is an employee of the corporation. He would love to get health insurance for the whole company. Then he would be able to get it, too, at better rates than buying it on the individual market. He cannot because it costs too much for small businesspeople.

What is the President's solution? It happens to be a solution I have been working for for a number of years, so naturally I think the President is right. His solution is to allow small businesspeople to pool through their national trade associations to buy health insurance. For example, the

President wants to pass authorizing legislation which would allow the National Restaurant Association, to take an example, to contract with insurance companies nationally, and then any restaurant that joined the National Restaurant Association would become like the little division of a big company. If we had that in place, my brother could join the National Restaurant Association and his employees would get health insurance on the same terms and same conditions as if they were employees of, let us say, Anheuser-Busch, a fine company headquartered in St. Louis, or Hallmark, a great company headquartered in Kansas City.

Why should they not be able to do it? It would reduce the cost of health insurance to small businesses, conservatively speaking, 10 to 20 percent. It would make it available to millions of small businesspeople who currently have no insurance at all, and millions of others would get better health insurance because the costs would go down and the quality would go up. It would create competition in the small group market that currently does not exist.

Here is another thing that working people in small businesses or big businesses will be pleased about, and it does not cost anything because it is not a Government program. It is empowering small businesspeople and farmers to do the same as their colleagues who work for big companies already can do.

The President has strongly supported this measure. It has passed in the House by a huge bipartisan vote. We pushed it further than ever before in the Senate. I think next year we are going to get it, and we will reduce the number of uninsured by getting more people good quality private health insurance which reflects what they want in health insurance instead of what the Government condescends to give them. It is not going to cost the taxpayers anything. Or we could pursue Senator KERRY's plan, which will cost the taxpayer, by two different estimates, one \$1.5 trillion and the other \$1.25 trillion. It will not even insure everybody who is uninsured. It is basically a vast expansion of Medicaid.

I have supported expanding Medicaid to cover people who are unemployed or people who cannot get insurance any other way. I believe that is our responsibility as a society. But if we can help people get health insurance on their own, why should we not do it? That is the President's approach.

Something else the President wants to do is he wants to reduce the costs that are driving health care by passing reasonable liability insurance reform to prevent frivolous or abusive lawsuits. I hear about nothing more often in Missouri than the whole question of liability reform, reforming our liability system so we can prevent the frivolous or abusive lawsuits that are driving up costs all over my State and States across the country.

I was in Chillicothe, MO, a couple of weeks ago. The last OB/GYN shut down, moved. You can't get a baby delivered anymore in Chillicothe because of the rising cost of malpractice insurance that we all pay.

I was visited the other day by a group that is involved in providing services in building facilities for seniors—assisted living and skilled nursing facilities. They were complaining because the cost—from the time they decided to build until the time they are building, the cost of their liability insurance went up. I think it was from \$200,000 to \$1.5 million a year.

The people of Missouri know who is paying those costs. It is getting passed on to them. We see it in the cost of health insurance premiums. We see it in the pressure on the Medicare and Medicaid budget.

We can have a reasonable reform that prevents that. It doesn't have to be all or nothing at all. It doesn't have to be a system where either we allow abusive and frivolous lawsuits that are driving up costs or we don't allow recovery at all. We can do what we did for hundreds of years, which is have a system that fully allows recovery for people who are injured through negligence to the extent of their injury but doesn't allow actions that drive up costs on behalf of frivolous lawsuits or huge awards or settlements that are out of relation to any damage that is actually done.

The President wants reform of that. So do the people of Missouri. They are aware of this issue. It got filibustered. The President supports reform and Senator KERRY supported the filibuster.

Let me just say, there are a lot of things we can do on a commonsense, bipartisan basis to reduce the costs of health care in this country. The more you reduce the cost of health care without affecting quality or access, the more people will be able to get health insurance, the more people will be able to get health care. That is what we have to do.

It is time to stop treating this as if, depending on which side of the aisle you are on, you either want or do not want people to have health care. I have never met a serious political leader in either party who did not want the people of this country to have health care. The question is how we are going to go about it.

One of the things I like about the President's proposal is he has decided to get away from deeply ideological solutions and to do what makes common sense, to take steps each of which will substantially improve the situation and put us in a better position and then open up options for other things we can do. It is what we need to do. I am convinced if we set politics aside, and we can once we get past this election and pursue those measures for reform, we will pass them and not only pass them but pass them with bipartisan majorities.

With regard to the bill for national insurance pools for small businesses,

small business health plans, that bill has repeatedly passed the House with a bipartisan majority and it can here as well. I am hopeful that it will, after the elections this fall.

We live in interesting times. There are a lot of key issues we are confronting. I continue to be optimistic. This war in Iraq is difficult. Wars are always difficult—the sacrifices, the heroism of the people of this country and their resolve, and then the men and women in the America's military who are a model for us all. They are writing another glorious chapter in the story of freedom that really is the story of the American fighting man and woman. The spread of freedom in the 20th century was the story of the American soldier all over the world making a reality, for other people as well as for this country, the ideals on which this Nation is based.

We saw another example of the power of those ideals today in the House of Representatives. It was an honor to be there and a pleasure to take a few minutes to recall what we all heard.

I thank the Senate for its indulgence, and I yield the floor.

I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ENSIGN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. GRAHAM of South Carolina). Without objection, it is so ordered.

The senior Senator from Nevada has a question.

Mr. REID. Mr. President, will the Senator withhold just for a brief unanimous consent request?

Mr. President, morning business expires in how much more time?

The PRESIDING OFFICER. There is 7½ minutes.

EXTENSION OF MORNING BUSINESS

Mr. REID. Mr. President, I am wondering if we should extend the time until 12:30. I ask unanimous consent that be the agreement, and that it not be evenly split. Whoever comes here should be able to speak.

The PRESIDING OFFICER. Is there objection to extending morning business until 12:30?

Without objection, it is so ordered.

ORDER FOR RECESS

Mr. McCONNELL. Mr. President, I ask unanimous consent that the Senate stand in recess from 12:30 until 2 o'clock.

The PRESIDING OFFICER. Without objection, it is so ordered.

STAYING THE COURSE IN IRAQ

Mr. ENSIGN. Mr. President, I wish to speak just for a few minutes this morning, especially in light of the wonderful

speech we heard from the interim Prime Minister of Iraq, Mr. Allawi.

I had the tremendous privilege, back in June, to meet with Mr. Allawi.

I found him to be very articulate and a true visionary for his country. This is a man who has a target marked on his chest and on his back wherever he will go in the world. It is critical that we do everything we can, along with the Iraqi security forces, to protect him and other leaders there. They are truly in the line of fire. There are many who would want to assassinate Mr. Allawi because they do not want to see freedom and democracy progress in Iraq.

The speech Prime Minister Allawi gave this morning was heartfelt. You could tell he appreciated what America and Americans families, along with our coalition partners, have sacrificed for the liberation of Iraq. Mr. Allawi made reference to a few things which I believe, as a country, we need to acknowledge. The only way for the terrorists and the insurgents to win is if America loses its way and loses its will.

Terrorists look for ways to disrupt and to win over public opinion because they know they cannot win militarily. We have not lost a single battle or military engagement in the last 3 years in Iraq or Afghanistan. Our military is so superior that the battles are not even close. We win every single one. So the terrorists know that the only way they can win is if they succeed in shifting public opinion back here at home. That is what the purpose of the terrorist attacks in Spain. They wanted to shift public opinion far enough to incite change, which they succeeded at doing. It decided the Spanish election and prompted Spain to pull out of Iraq.

We have to send a strong signal. Whether you are Republican or Democrat, whether you are for the war or against the war, it is critical that we as Americans stand together and send a message overseas, the way our foreign policy to do. We used to stand together as Republicans and Democrats and say partisanship stopped at the water's edge. We once again need to assert that ideal. We need to say to those who would come against us who would rise against the spread of freedom, the opportunity for people to live and worship how they want to and have the freedoms that we enjoy in many parts of the world—we need to say very clearly that we will not allow them to win. We will not allow this radical form of Islam to take over the world.

There is a battle of cultures. We must realize that. The radicals, the ones who want to win the hearts and minds of most of the Muslims around the world, are a small percentage. But we cannot allow them to win at this point. It is critical that we stay strong. We must send a message that our resolve is not going to waiver. We are not going to allow this to affect our elections. We are not going to allow terrorists to win here in the United States.

There are people—and they are good Americans, solid Americans—who are

against this war, who have been against it since the beginning. I plead with those in our country to look at the message that division in our country sends to those who would attack us, who would come against us. The old saying “united we stand, divided we fall” is as true today as it has always been. The more we show that we are united in this global war on terrorism, the less likelihood that the terrorists will continue. The terrorists must see that public opinion cannot be shifted because of the latest bombing or the latest beheading or any other horrific acts they may try to inflict on us. The more apparent our unity, the stronger our resolve, the less chance they will have to recruit new, young volunteers as suicide bombers. The less money they will be able to recruit from wealthy people around the world who are financing some of these activities.

We are in the middle of a Presidential election. We realize that. It is important that we have strong, steady leadership, leadership that I believe we have in President Bush. It is at a time of criticality to our country and our foreign policy that our leadership carry us through the next few years and send a message to the rest of the world that we are going to stand strong, that we are going to stay the course.

Let me conclude with this: There are naysayers who believe democracy cannot work in the Middle East, that the only type of governments they can have over there are either dictatorships or some type of a religious theocracy. Prime Minister Allawi clearly addressed that today and spoke on behalf of the Iraqi people hungering for freedom and democracy. We must be successful in helping them to achieve that. Staying the course, whatever it takes, is critical not only for Iraq but for the larger global war on terrorism and to our own security here at home.

If we weren't fighting in Iraq, I can guarantee you, we would be fighting here against terrorists on our own soil. Our military is much more prepared for that battle than our civilians are. We are in a dangerous, different world today. We must realize that.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MCCAIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until 2 p.m.

Thereupon, the Senate, at 12:29 p.m., recessed until 2 p.m. and reassembled when called to order by the Presiding Officer (Mr. ALEXANDER).

The PRESIDING OFFICER. In my capacity as a Senator from the State of

Tennessee, I suggest the absence of a quorum. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. NELSON of Florida. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NELSON of Florida. I ask unanimous consent that I be permitted to speak for 7 minutes as if in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

HURRICANE DAMAGE IN FLORIDA

Mr. NELSON of Florida. Mr. President, if it were not bad enough that Florida has been hit by three hurricanes in a row—my family has lived in Florida for 175 years, and I cannot remember where two huge hurricanes hit the State back to back, much less do I think that the history books would record that three major hurricanes have hit any State in succession. But if that were not enough, there is now a hurricane out in the Atlantic named Jeanne that has killed already well over 1,000 people in the nation of Haiti, when it was only a tropical storm. It took a northward turn into the Atlantic, has looped around, and is now taking a westward path directly for the peninsula of Florida.

If this hurricane continues at 100 miles an hour, albeit in terms of what we have already experienced with the first one—Hurricane Charley was 145 miles an hour coming right off the Gulf of Mexico up Charlotte Harbor to ground zero at Punta Gorda, and we know what the magnitude of those winds can do, nevertheless a hurricane at 100 miles an hour coming back on to the coast of Florida, which has already been racked by two other hurricanes, from the southwest, Charley, and from the southeast, Frances, one can imagine the additional misery that our people are going to suffer.

So this leads me to my point. Last week we were on the Department of Homeland Security appropriations bill. I battled to get recognition for what had not been requested by the White House, which was for Florida agriculture to be compensated. Thanks to the chairman of the committee, he finally accepted my amendment for \$70 million for the Red Cross. The Red Cross has been doing a marvelous job, as has the Salvation Army, but the Red Cross ran out of money. They had to go out and borrow \$10 million. So we still have that working in the conference committee on homeland security before we can bring it to final passage, but we are going to have to have plenty more funds.

I just received a shocking report on the destruction to the Pensacola Naval Air Station by Hurricane Ivan that was not only hit with winds sustained at 138 miles an hour coming off the Gulf of Mexico but also a tidal surge. We

have all seen those pictures on TV. The tidal surge went way up Pensacola Bay and was so high and so fierce that it lifted up sections of Interstate 10 off of pilings and dropped them into Pensacola Bay.

That same kind of storm surge and high winds has wreaked considerable havoc on the Pensacola Naval Air Station. The first reports from the Department of Defense—and I am going right now to our Senate Armed Services Committee to talk to the Secretary of Defense about this—the first estimate is the damage just to structures at Pensacola Naval Air Station is well over half a billion dollars. That does not include all the equipment.

Yet to show how the U.S. Navy can respond and recoup, they are starting pilot training at Pensacola NAS tomorrow, despite all of that devastation and destruction around them.

This voice from Florida is going to continue to ring out, calling for action and pleading for help. I hope the President will request it. In these closing weeks of the session before we adjourn before the election, we cannot let any of these needs go unmet for the sake of our people and for the sake of the Nation.

I yield the floor.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, what is the business before the Senate?

The PRESIDING OFFICER. The Senate is currently in morning business for 1 more minute.

Mr. DODD. Mr. President, I ask unanimous consent that I may be allowed to address the Senate in morning business for 2 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

MIGUEL ANGEL RODRIGUEZ, NEW OAS SECRETARY GENERAL

Mr. DODD. Mr. President, I had the privilege and pleasure this morning of attending the induction of Miguel Angel Rodriguez as the new Secretary General of the Organization of American States. Unfortunately, the only once every 5 or 6 years induction of the Secretary General of the OAS occurred almost at the same time we had a joint session of Congress with the acting Prime Minister of Iraq. It is unfortunate these events could not have been better coordinated, because I know there are many of my colleagues who would have enjoyed attending this very important ceremony that includes our hemisphere yet also felt the need to be at the joint session this morning.

I also regret that our own President was unable to be at this induction ceremony. We had Presidents from Costa Rica, from Suriname, Guatemala, Honduras, El Salvador, Haiti, Peru, Dominica, the Vice Presidents of Colombia and Panama, Foreign Ministers, and Ambassadors representing our neighbors in this hemisphere in a very important induction. It is about 300 yards

from the Oval Office to the building of the Organization of American States. I know the President is busy and had other matters on his mind, maybe, this morning.

I forgot to mention, by the way, the President of Nicaragua and the Prime Minister of Antigua and Barbuda, and the Prime Minister of Saint Vincent and the Grenadines were there as well.

It was an excellent speech that Miguel Angel Rodriguez, the former President of Costa Rica, gave this morning, talking about the importance of democracy and freedom and liberty, and the efforts being made in Latin America to secure greater democracy and greater freedoms for the millions of people who call the Americas their home.

It has not been an easy time for many of these Presidents, with the difficulties they have faced economically and with the natural disasters. We just heard the eloquent comments of my friend and colleague from Florida about the recent devastation of his home State of Florida, with three hurricanes hitting his home State.

Many of these small countries in Latin America and the Caribbean have faced similar problems. We know in Granada, 90 percent of the homes were destroyed in this country by the hurricane that passed over it. We know the devastation that occurred in Jamaica and the Bahamas. In Haiti, 650 people died just last week as a result of the hurricane hitting in that country. Central America, El Salvador, and Nicaragua are still trying to recover from the devastations that have hit them over the last number of years.

We know about the economic difficulties in Argentina and the problems that exist in Peru. The difficulties in Colombia are ongoing.

This is an important area of the world. I know we are preoccupied for all the obvious reasons with events in Iraq and Afghanistan, but Latin America is our neighbor. These are nations that are our closest neighbors, some of which have been stalwart friends of ours during difficult times.

The new Secretary General spoke eloquently this morning about the importance of democracy and the importance of freedom in the Americas, and how important it is that we do everything we can to support these efforts, recognizing the future of these nations will depend upon strengthening democratic institutions in these countries.

Democracy does not depend upon the support of the powerful. In fact, quite the contrary. Dictatorships, to survive, depend upon the support of the powerful. Democracies and freedom depend upon the support of those who are weaker, those who are fragile. If they fail to support democracy, then it doesn't make it.

At a time such as this, it is important that we pay attention to the words of our friends and neighbors in this hemisphere, particularly the words this morning so eloquently delivered

by Miguel Angel Rodriguez at his induction as the new Secretary General of the Organization of American States. I know several of our House colleagues were there. My colleague from Minnesota was there, the chairman of the subcommittee on Latin American affairs, which is the Subcommittee on Western Hemisphere, Peace Corps, and Narcotics Affairs. I thank him for being there. So we had some representation from both the House and this body for this induction ceremony.

Mr. President, I ask unanimous consent that the eloquent speech given by Miguel Angel Rodriguez be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE AMERICA OF FREEDOM

His Excellency Abel Pacheco de la Espriella, President of the Republic of Costa Rica;

His Excellency Runaldo Ronald Venetiaan, President of the Republic of Suriname;

His Excellency Oscar Berger, President of the Republic of Guatemala;

His Excellency Ricardo Maduro, President of the Republic of Honduras;

His Excellency Elias Antonio Saca, President of the Republic of El Salvador;

His Excellency Boniface Alexandre, President of the Republic of Haiti;

His Excellency Baldwin Spencer, Prime Minister of Antigua and Barbuda;

His Excellency Enrique Bolaños, President of the Republic of Nicaragua;

His Excellency Ralph E. Gonsalves, Prime Minister of Saint Vincent and the Grenadines;

His Excellency Alejandro Toledo, President of the Republic of Peru;

His Excellency Roosevelt Skerrit, Prime Minister of Dominica;

His Excellency Francisco Santos, Vice President of Colombia;

His Excellency Samuel Lewis Navarro, Vice President of Panama;

Ministers of Foreign Affairs and members of official delegations;

Ambassador Carmen Marina Gutiérrez, Chair of the Permanent Council;

Mr. Assistant Secretary General;

Ambassadors, Permanent Representatives;

Ambassadors;

Dignitaries that honor us with your presence;

Distinguished First Ladies;

Distinguished guests;

Ladies and Gentlemen:

The long journey of men and women in search of freedom led them to the promised land of the Americas. Here the ideals of thinkers and poets, the worries of farmers and artisans, the hopes of young and old caused nations to flourish, gave rise to constitutions and the proclamation of rights, and forged progress. Independence came with the smell, color, and shape of freedom. Battles were waged against a system that allowed slavery and control over land and Indians, against segregation and male chauvinism, exclusion and privilege. The seeds of freedom, justice, and solidarity were sown, irrigated with blood and fertilized with intelligence and the tenacity of women and men, farmers and professionals, youth and adults of all races and origins.

We have learned along the way that freedom is forged and dignity exercised through concrete works. And step by step, through trial and error, and by taking up where we left off, we have gradually built our democracies.

We have come so far that we feel encouraged to continue our journey. The fact that so much remains to be achieved morally obliges us to do our utmost.

In this twenty-first century, inspired by the values we share, imbued with the ideals of our forefathers, and outraged by the pain of poverty, inequity, and exclusion, we women and men of the Americas must redouble our efforts to expedite the achievement and full exercise of human freedom and dignity.

Day after day we see the world changing at an amazing pace. Our Hemisphere, now as never before, is part of the dizzying and unsuspected challenges emerging from the globalization that has come to stay, with all the hopes it harbors for freedom and now no longer isolated development opportunities, as well as with its challenges and difficulties.

Since inertia is not a fitting response, we must have the courage to take up, with creativity and responsibility based on our common values and the abundance of cultural diversity that is the hallmark of the Americas, the challenge of transforming globalization into a great leveler of the inequalities among peoples.

The leveling needed must be economic and social so as to distribute the benefits of development more equally among and within countries. It must also be political, in order to deepen democracy. To bring about transparent governments and enterprises. To punish the corrupt. To respect indigenous cultures. To ensure gender equality. To guarantee unqualified respect for human rights.

As the ultimate expression of our freedom and dignity, human rights must not only be recognized and declared. They need to be effectively protected. For that, it is essential to respect the rule of law at the national level and to strengthen that guarantee which transcends national borders, namely the inter-American human rights system. Its success and the favorable impact it has had on behalf of citizens are eloquently manifested in the demand it has generated among the women and men of the Americas. We urgently need to expand its capacity to meet that demand and to promote its autonomy; to find ways to finance it as a full-time instrument, to achieve its universal acceptance, better coordination among its organs, and resolute political support for compliance with the decisions those organs take in their respective spheres of competence.

The political organization of freedom is democracy. Through intelligent debate and free and tolerant participation, it enables us to make public decisions based on a majority view and to freely elect our governors, with checks and balances to protect the rights of all. In that manner, in peace and with the humility that comes from acknowledging our ignorance, democracy allows us to feel our way, correct mistakes, and continue making headway, combining our efforts to find the compromises that bring us closer to more just conditions.

Democracy is always fragile, because it does not rely on the strength of the powerful. It is based on legitimacy, which comes from respecting the rules of the game, and on the opportunity for change to come about peacefully, because democracy allows today's political minorities to become majorities tomorrow. Because we wish to live in freedom, our Inter-American Democratic Charter has made living in a democracy a human right for all women and men in the Americas. Our challenge is to achieve the equilibrium needed for the OAS to guarantee this right without prejudice to the right of peoples to self-determination and nonintervention. National sovereignty, a value we proudly share, rests upon those foundations, which, in to-

day's world, require the existence of full democracies.

Nourishing, stimulating, and protecting democracy poses numerous demands. We need strong and transparent political parties that allow different interest groups to join together in building national positions and that engage in open dialogue with individuals, other parties, and institutions of civil society. Means of communication free to investigate, inform, and debate. Honest, accountable governments, with as few discretionary powers as possible, bound by the Constitution and the law, and subject to review by the courts. Governments which respect the separation of powers, the assignment of spheres of competence, and the existence of local political authorities and organized social groups. We need citizens who actively participate in public life. Politicians who regard public office as an opportunity to serve, not as a pretext for perks.

The Organization and the member states have made considerable headway toward consolidating fundamental democratic values, as we have seen in recent months. While respecting self-determination and sovereignty and engaging in constructive multilateral dialogue, we will continue acting to ensure that the lights of liberty and democracy shine throughout the Hemisphere. The Organization's activities in this key area need to be institutionalized in order for it to coordinate, preserve, and further enrich the experience it has acquired, which is why we have already proceeded to create the Department of Democratic and Political Affairs and the Office of Political Affairs, Ethics, and Transparency.

We take heart at the consensus now emerging about democracy. Parties differ today not about democracy or autocracy, liberty or communism. In almost all America that debate has been superseded. Today's political debate focuses on other issues. How best to provide public services. The most appropriate economic and social policies. Where best to raise and spend public funds. This new emphasis in political discourse, focusing on the quality of a family's evening meal, education and health, peace in communities, the decency of work and of wages, and the opportunities for savings, investment, and enterprise—in short, the everyday ingredients of citizens' lives—represents an enormously important change that must be reflected in a strengthening of the democratic system.

With the emphasis now squarely placed on citizens' well-being, with democratic freedom and with responsible ongoing action, today the foremost challenge for the peoples of the Americas is to rid ourselves of the shackles of poverty, inequity, and exclusion.

Em cada nação estamos chamados i crãção de riqueza e bem-estar. A Organizãao inter-americana não pode ser indiferente ante a pobreza e o subdesenvolvimento.

History teaches us that freedom is the best tool for construction and progress. Free exchanges, incentives to create wealth, property rights respected by all, freedom to enter into contracts and partnerships, and the enforcement of contractual agreements are essential for creativity, competitiveness, and increases in output.

We know that, to generate the wealth needed to overcome poverty, we require institutions and prudent fiscal, monetary, credit, exchange-rate, and foreign-trade policies that promote macroeconomic stability, productivity, competition, and the liberalization of our economies. We also need to improve infrastructure, promote access to science and technology, and protect the environment.

For this free creativity to succeed in bringing benefits for all, for economic growth to

be shared, we need free markets; we need to prevent, by means of the rule of law, the misuse of power and privilege; and we need governments that guarantee competition, promote competitiveness, and provide training and support for the most vulnerable so that they can avail themselves of opportunities. Thus we need strong and efficient governments, collecting, by fair means, sufficient taxes to finance their tasks and establishing an economic and social order that eliminates poverty, inequity, and exclusion.

Irrespective of its theological or philosophical underpinnings for individuals or countries, in America we have chosen to make solidarity an essential value of our life in society—but it urgently needs to materialize. For the sake of that solidarity, it is important to promote the training of human capital through efficient social policies, with no place for corruption or patronage. This is where policies of a universal nature, such as health and the priority that must be given to education as the principal instrument for individual advancement, social equity, and civilized coexistence, combine with policies of a specific nature, targeting families needing special attention to help them take advantage of opportunities.

Hemispheric cooperation must include designing economic and social policies that promote integral development. Trade and integration, cooperation and partnership among peoples, and the sharing of best practices in government policies and services are tasks that the Summits of the Americas have brought to the OAS, and for which we need to strengthen coordination among all the international agencies working in these fields in the Hemisphere. I am deeply grateful to the heads of the Inter-American Development Bank, the Inter-American Institute for Cooperation on Agriculture, and the Pan American Health Organization, as well as the Economic Commission for Latin America and the Caribbean and the United Nations Development Programme, for the profound conviction and commitment they have shown with respect to this proposal. As a result, we have already met on two occasions to join forces in this task, which we hope in the future to extend to other international entities whose presence here testifies to their commitment to the well-being of the women and men of the Americas.

A Hemisphere united in the quest for shared growth that will enable us to be rid of poverty, inequity, and exclusion, a Hemisphere that aspires to transform globalization into a politically, economically, and socially equalizing factor, cannot leave behind zones, regions, or countries. We must therefore evaluate the implementation of mechanisms of solidarity that enable us to foster greater cohesion and integral, shared development.

Only thus, bound together in our shared determination, will we be able to meet our moral obligation to tackle poverty. Two hundred years ago, one of our fellow nations rose up as a pioneer for liberty and against inequality, poverty, and discrimination. Today, the people that inspired Toussaint Louverture poses a gigantic challenge to the moral conscience of the Americas. In Haiti the pain of poverty is manifest in all its unmitigated cruelty. The OAS must be the conscience that reminds us all of the vast and prolonged effort Haiti requires. Cette nation qui nous est chère a besoin de la solidarité des Amériques. Et un Continent américain solidaire avec Haiti avancera vers une croissance dans la solidarité.

The full exercise of freedom is curtailed by threats to security and personal, family, and collective peace. The multifaceted nature of

human life means that threats lurk in numerous areas. That is why we in the Americas have opted for a multidimensional concept of security that the Caribbean states have promoted.

This is the defense of life, security, and peace, not only, as in the past, vis-à-vis the eventuality of a conflict between states, but also in the face of terrorism, drug smuggling, international crime, epidemics, and natural disasters that jeopardize the very existence of small states, such as the hurricanes whose painful toll in human and material loss is now faced—with a courage, dignity, and efficiency we admire—by Grenada, Saint Vincent and the Grenadines, Saint Lucia, Jamaica, Barbados, The Bahamas, and Haiti, with the solidarity and support of CARICOM, and by the Dominican Republic and Florida and several southern states in the United States of America. To those peoples and their governments, we extend our solidarity.

A vision of the Americas as a land free from terrorism, violence, and crime, from epidemics and the preventable effects of natural disasters, is a dream that unites us in this twenty-first century. It is a dream that requires us to develop national and inter-American policies that are effective and mindful of human rights. A vision that demands that we share knowledge and that our nations cooperate with one another in matters related to intelligence gathering, improvements in our police forces, and judicial, financial, health, and civil-defense systems. Current and future generations demand that we move resolutely ahead to make this dream a reality, and we have therefore immediately proceeded to adapt our organizational structure in line with that task. The part the OAS has played in these endeavors for over a century must be consolidated in the structure of its General Secretariat. To that end, we have created the Department of Multidimensional Security and the Office on Threats to Civil Society, in order to achieve an appropriate grasp and institutional memory of those activities.

Our vocation is to create an America at peace. Peace among the nations that comprise it, peace for its people, and peace with the environment.

To ensure that it lives up to the most noble cause it serves of democracy, human rights, security, and integral and shared development, this General Secretariat needs to be streamlined in its organization and procedures. For that it needs to focus on those priorities, to have a clear vision of where it wants to go, efficient management by objectives, accountability, team spirit, and teamwork. It also means that the helmsman must pursue the course charted by the member states, which in turn requires that the General Secretariat provide timely and efficient support to facilitate, in the Permanent Council and General Assembly, the development of a far-sighted hemispheric approach. These tasks are made easier by the considerable progress achieved by the OAS over the past ten years under the apt guidance of its Secretary General, former President of Colombia César Gaviria.

From the bottom of my heart, as a student and patriot of the Americas, I thank Their Excellencies, the Heads of State and Government, the Ministers of Foreign Affairs, First Ladies, Former Presidents, Ministers, and Members of the Legislature and Judiciary, and High Officials who are with us here today for the extraordinary support they lend to the OAS by generously honoring us with their presence.

I realize that the burden is heavy and the challenge enormous. I shall devote myself to this task, asking God's guidance, to the utmost of my ability and conviction, as a token of gratitude to the peoples and govern-

ments that have honored me with their trust. Yet I place my trust in the goodness of Providence, the values that guide the governments of America, the abilities of my colleagues in the Organization, and the courage and dedication of the women and men of the Americas.

With our common values and tireless effort, together we will be equal to the challenge. Able to move from disillusionment to enjoyment of democracy. From frustration to hope for human development. From magical realism to idealistic pragmatism, in policies and specific programs. From the pursuit of freedom to the use of it as a tool for forging happiness, progress, and solidarity.

Building that vision, helping it to materialize, converting it into reality is the great task that, with all humility, I invite the OAS to accomplish. With the solidarity of us all, we will be able to build the America of freedom: the freedom and creativity that provide grounds for rational optimism, realistic hope, and a dream that can come true.

Mr. DODD. On behalf of all of us, I am sure my colleagues will agree when they read his remarks, we thank him for his leadership and look forward to working with him to strengthen the OAS, to make it a more viable and important organization as these wonderful friends and neighbors of ours grapple with the economic and natural disasters they face and as they do everything in their power to strengthen democracy and freedom throughout this hemisphere.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LAUTENBERG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LAUTENBERG. Mr. President, may I ask the Chair what the status is of our schedule right now?

The PRESIDING OFFICER. The Senate is currently in morning business.

NEWS CONFERENCE WITH PRESIDENT BUSH AND PRIME MINISTER ALLAWI

Mr. LAUTENBERG. I thank the Chair. I will take the opportunity to speak in morning business.

Mr. President, in the last couple of hours, a news conference was held with President Bush and Prime Minister Allawi, the interim Prime Minister from Iraq, in an attempt to clarify our Iraq policy. It was held in the Rose Garden.

What we heard was a peculiar use of words, when a reporter asked President Bush to explain some comments he made on Tuesday. Those comments are on this chart. President Bush—this was on September 21 at the Waldorf-Astoria. The quotation is that of the President when he says:

The CIA laid out a—several scenarios that said, life could be lousy, life could be OK, life could be better. And they were just guessing as to what the conditions might be like.

That is talking about Iraq. The reporter further asked President Bush

why, after faithfully relying on CIA intelligence estimates to justify invading Iraq, he now calls CIA intelligence “just guessing.” Once again I quote President Bush:

I used an unfortunate word, “guess”; I should have used “estimate.”

An unfortunate word? It was unfortunate, all right, because many of us in the Congress are taking the quality of our Nation's intelligence very seriously. It was unfortunate because the American people are trying to understand what has taken place, what took place on 9/11, what took place in the review of 9/11 with the 9/11 Commission. The demand is that we take intelligence seriously after the failures of 9/11.

Yesterday, we approved the appointment of a new CIA Director, Mr. PORTER GOSS. Although I challenged that appointment, the fact is he won the confidence of this body and, without any possible interruption, is going to be the head of the CIA. I think that is pretty darn important. There were hours of debate in the Senate, covered on TV channels, in newspapers, you name it; everybody must have thought it was pretty important. But President Bush said something else. President Bush said he was trusting the word of a foreign leader, and the statement is made like this:

And the CIA came—

Once again, he is talking about the situation in Iraq—

and said, “this is a possibility, this is a possibility, and this is a possibility.” But what's important for the American people to hear is reality. And the reality is right here in the form of Prime Minister Allawi. And he is explaining what is happening on the ground. That's the best report.

Are we hearing that President Bush is dismissing the word of the CIA, the comments of the CIA, to say they are just guessing or that might be a guess-timate, and what is really happening, the reality is right here in the form of the Prime Minister? Are we going to trust the Prime Minister of a foreign country to supply intelligence that is more reliable than the CIA? Lord willing, I hope not.

First the President says our intelligence data is just guessing, and then he says the word of a foreign leader is more valuable than U.S. intelligence. The entire purpose of our intelligence program is so we do not have to rely on the word of a foreign government for information. Would we take the word of a Prime Minister of a country to say I think this is the condition in a territory, that is the condition in that territory, and use that information to declare war and send over 1,000 people to their death? I hope not.

The President has finally admitted he uses unfortunate words. He certainly has. I remember some words that shocked me. I was a soldier once, a long time ago, and I never heard a commander, whether it was a lieutenant in charge of my platoon or the general of the army, Dwight D. Eisenhower, or any other world leader say,

"Bring 'em on," when they were talking about the enemy. The last thing I wanted to see was a German soldier, I can tell you.

But when President Bush said "Bring 'em on," it was unfortunate. There were tragic consequences. And now since we lost four more people than when I talked yesterday, the number is up to 1,041 troops killed and so many more injured.

On May 1, 2003, President Bush made another unfortunate statement. He said: "Mission accomplished." It was a grand presentation on the deck of an aircraft carrier with proud American sailors standing behind him, flags waving all over the place. He said: "Mission accomplished." That premature statement gave false hope to our troops and the families back home who were waiting for them now that it was all done, all wrapped up.

"Mission accomplished" says: Job well done, finished. This was not a job well done, not at all. Yes, our troops fought hard. Yes, there is plenty of bravery. Yes, there is plenty of courage out there. But for the Commander in Chief to say "mission accomplished," he could have said: "Pack your duffel bags; you are going home."

When I heard "mission accomplished" in World War II, I was on a ship headed for Japan, having served in Europe first. When President Roosevelt and President Truman at the time said, "mission accomplished," we came home. When it was said here, May 1, 2003, roughly 18 months ago, "mission accomplished," the mission was not at all accomplished. Ask the families of the 1,041 who perished in Iraq. Ask those families, more than 800 since the President declared "mission accomplished," ask them whether they think the job is done.

Then the President flip-flopped on whether we can win the war on terror, which is what he said. One day, he told Matt Lauer from NBC on national television:

I don't think you can win the war on terror.

The next day he said:

We will win the war on terror.

President Bush is speaking more and more unfortunate words, and flip-flopping on fundamental issues. I think that is what they accuse JOHN KERRY of, flip-flops. Maybe we ought to put up a chart that shows who did more flip-flops than the other. We can prove President Bush's flip-flops were accompanied by pain and grievous losses.

There was a "Hardball" interview last night by Chris Matthews. Bush supporters on that program, a man by the name of Ed Rogers, said Senator KERRY is like George McGovern. Anybody who served in this body understands that George McGovern fought in World War II heroically, and there is not anybody who served with George McGovern or who knows anything about him who is not proud of his accomplishments and his commitment to

the well-being of America. So that is a sarcastic way of saying something is wrong with those two men—JOHN KERRY was awarded the Bronze Star, Silver Star, and three Purple Hearts. George McGovern served in Europe during World War II—and that there is something sinister about their character.

Bush supporters say KERRY is like George McGovern. The real analogy that ought to be made is perhaps President George W. Bush is like Richard Nixon, campaign dirty tricks, misleading the American public. Maybe that is the right comparison.

We can continue to criticize and assassinate character, which seems to be the thrust of the Bush-Cheney campaign. This chart was shown on the floor by another Senator about JOHN KERRY's record. JOHN KERRY's record is three Purple Hearts. Those are awards for being wounded, confirmed by medical personnel. You cannot get a Purple Heart by writing a letter and saying: I am hurt here and hurt there. And you cannot get a Silver Star without the Secretary of a service signing on or you cannot get a Bronze Star without certification by someone of very high rank in the military.

Instead, we ought to look at a chart such as this: Bush rhetoric, and the reality in Iraq.

If the measure of your performance is to be the interim Prime Minister of Iraq, brave man though he may be, who insists Iraq is going to be ready to take over in January with an election and they will have 145,000 people in uniform ready to fight, and a year later up to 200,000—I hope that is not wishful thinking because if it is, it could turn into a nightmare.

No, we have to do better than that. We have to be able to tell the American people the truth. We have to be able to look at the record of both people. I know this: If I were being called into battle, I would sure as heck follow JOHN KERRY in because I know if I fall in the water he is going to turn around and pull me out. But I would not be able to find George W. Bush because he was not there in the unit to take up his part. No, he was absent, I think the record has established, and I am not getting into CBS's authenticity.

We have other records that say he did not show up for his physical and, thusly, could not qualify to fly any longer.

So I think it has to stop. When we look at the reality of the Bush-Cheney campaign and we see what Halliburton, a familiar tie to Vice President CHENEY in an earlier period, has done to defraud the American Government, the American people of their funds, overcharging here, bribery there, a Vice President with a financial interest in this company that is held up for such disregard, that is the record at which we have to look: what was their performance, not what were their words.

An irate, angry Senator spoke at the Republican convention. He said one thing you have to remember; it is not

what people say, it is what they do that counts. Let us judge Senator KERRY by what he did that counts. Let us judge President George W. Bush on where we stand in this conflict: 1,041 dead, thousands more wounded, many of them very seriously.

I visited some of them at Walter Reed Hospital.

Mr. REID. Will the Senator yield for a question?

Mr. LAUTENBERG. I would, indeed.

Mr. REID. Is the Senator from New Jersey aware that in the month of August alone more than 1,100 American soldiers were injured, wounded?

Mr. LAUTENBERG. I thank the Senator from Nevada. No, I did not know that, but I am not surprised. I am not surprised because there are several thousand wounded and we know that in war the wounded is a multiple of those who are killed.

When we look at what is happening, we talk about mission accomplished and we see a picture in the paper of the latest beheading—how dreadful, how horrible, how savage is our enemy—there is nothing I would rather do than to salute President Bush for ending the misery, for ending the war, for bringing the troops home. There is nothing I would rather do, but I do not see that in the picture, no, not if I look at the record, not if I look at what has been done, not what has been said. I do not see that. So I think we must be very careful.

In World War II, they had an expression that was kind of basic which talked about what we had to do to protect our troops. There were 16 million of us in uniform. They used to say "loose lips sink ships." They asked people not to talk about things. They asked other things of people, too, during World War II. I remember hearing President Roosevelt's broadcast about sacrifice, about turning out the lights in places so we could not be seen by an enemy bomber, a ship—sacrifice. I have not heard President Bush talk about sacrifice to the American people.

I have heard a lot of bragging about what has been done. I have yet to witness the accomplishments that accompany those boastful comments.

I hope it will not be too long before the thousands of people who we have in harm's way, those who are doing their best to fight the battle, will be able to come home and rejoin their families. There is terrible upset in the homes of reservists in particular across the country, a lot from my home State of New Jersey, where daddy is not there, where mom has to take care of the kids. In some cases, mom is away and dad is taking care of the kids, still trying to earn an income, saddled by indebtedness, mortgages, health care needs for parents or grandparents. They want those people home, and we all do. It does not have to be a Democrat or a Republican or otherwise who would not want to see a smiling face come walking through the door.

So let us not hear any more talk about mission accomplished. Let us

hear the truth about where we are. If it is a painful truth, as someone who has to go in for surgery has to know at times so they can get better, let us hear the truth, let us hear when it is that we are going to bring our troops home. Let us hear when it is that the fighting is going to end. Let us hear when it is that there is confidence to be restored in the Presidency. Above all, let us stop assailing the character of those who would challenge the positions that we are in, because I think that is the essential working of a democracy: Challenge, ask questions, instead of snide criticism that says they are unpatriotic if a question is asked about an appropriations bill or something such as that. Do not do that.

We have JOHN KERRY who served honorably, bravely, in Vietnam and had the courage to say: I disagreed with the policy but I had the courage, the guts, the backbone to go do what I had to do. Let his record speak for itself and do not try to color it with innuendo and insult.

I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GREGG. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. CRAPO). Without objection, it is so ordered.

Mr. GREGG. Mr. President, are we in morning business?

The PRESIDING OFFICER. We are.

Mr. GREGG. Mr. President, I ask unanimous consent to speak for up to 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

IRAQ

Mr. GREGG. Mr. President, those of us who listened to Prime Minister Allawi today could not help being overwhelmingly impressed by the courage and the strength of this individual, as he outlined the hopes and dreams of his nation, which he is leading as an interim Prime Minister, and which nation is obviously going through tremendous strain and stress.

I heard the Senator from New Jersey just recently on the floor. I hope the Senator from New Jersey listened to Prime Minister Allawi, but maybe he had not, because much of what the Senator from New Jersey was saying about Iraq was starkly different than what Prime Minister Allawi said.

The points the Prime Minister made which I thought were so telling were, first, that the people of Iraq do want independence and they do want liberty and they do want freedom, that they will hold elections, and that they have overcome great odds, 30 years of despotism of the most horrifying kind—tens of thousands, hundreds of thousands, potentially millions of their

citizenry being savagely treated and killed by Saddam Hussein. They have come through that. They have moved toward democracy, and they intend to hold elections in January. That is a statement of extraordinary strength.

Secondly, he made the point, which I think is a telling and appropriate point, that Iraq has become the front-line of the fight against terrorists. The way he phrased it is: It is the place where the forces of hope are fighting the forces of fear. There can be no question about that.

He made the third point, which I believe is critical: That to pursue a course of defeatism in Iraq will lead to an emboldening attitude amongst terrorists throughout the world and will cause us to face many more years of fierce, intense, and brutal attacks from terrorists, which might otherwise be undermined to some degree, hopefully, if we are able to set up a functioning free state of Iraq where liberty rules, where women have rights, where the strength of law exists. That sort of course is what we are on and what we should pursue there.

The personal courage of this individual cannot be understated. There can be no question but that the interim Prime Minister of Iraq, because he speaks for freedom and he speaks for democracy, is the No. 1 target of the terrorists within his nation, of which there are, obviously, a fair number functioning.

But the point he makes is that they represent the distinct minority of his people, and to a large extent they come from outside his nation, and the hangover from the Baathist Party which ran such a despot government which was so authoritarian and so destructive to human life and freedom, and that the vast majority of the Iraqi citizens seek freedom and seek liberty, and that right now, today, significant progress has been made. He made the point that 15 of the 18 provinces could today hold an election and will hold an election in January, obviously—a huge stride forward.

I was also interested to see the response of the candidate for President from the other side of the aisle, Senator KERRY, to the statements by Prime Minister Allawi.

When he was specifically asked how he reacted, he said: The President is saying one thing and being contradicted by the Prime Minister. Then he went on to say that things are disastrous in Iraq.

He had said earlier this week that Iraq is in chaos and that actually Saddam Hussein's administration was better than the chaos. I am paraphrasing him here, but essentially that was the purpose of his statement, that the way Saddam Hussein was replaced, the chaos which has succeeded him is worse than Saddam Hussein—a statement which I think and I hope he regrets making, and certainly which is, according to the Prime Minister, not credible because, as the Prime Minister

pointed out today, the people of Iraq are seeking and pursuing freedom and moving toward elections. And they have a government that has been formed through a constitutional process.

So it is really not the President and the Prime Minister who are speaking in opposite terms; it is Senator KERRY and the Prime Minister who are speaking in opposite terms. They, obviously, have significantly different views of what is happening in Iraq. The Prime Minister of Iraq maybe does not know as much about Iraq as the Senator from Massachusetts. But if he does know as much about Iraq as the Senator from Massachusetts, and I suspect he does, his view of Iraq is starkly different than basically the attitude of defeatism which is being pursued or presented by the Senator from Massachusetts.

It is also ironic that in his response at this press conference to what Mr. Allawi said, he basically said Mr. Allawi was wrong, that the "reports are pretty devastating," is the term Senator KERRY used, that "we are losing the peace," is a term Senator KERRY used, that "we are not getting the reconstruction aid out," and that "we are not training the Iraqi personnel to defend themselves."

Prime Minister Allawi disagrees with him on all those points. He thinks we are moving toward a policy of peace that is going to lead toward freedom for his people. He recognizes we are in a difficult time, and he said that very openly, and that there are those in his nation who, unfortunately, will use the horrific and barbarous tactics of beheading and car bombing and cowardly attacks on children and women as a way to try to disrupt the movement toward freedom.

He recognizes that, but he also says progress is being made, dramatic progress. In fact, as is pointed out today, 15 of 18 provinces could hold an election today. That is progress toward peace, which Senator KERRY says does not exist there. He says that the reconstruction money is not going out. That is not what Prime Minister Allawi said. Prime Minister Allawi went through a litany, a long list of schools that have opened, hospitals that have opened, books that have been supplied, businesses that have begun as a result of reconstruction aid. More is on the way, and it is in the pipeline. He talked about the excitement, really, of his nation coming back to being a nation of commerce.

When Senator KERRY says the troops are not being trained—and Senator KERRY mocked in this press conference Secretary Rumsfeld who got numbers incorrect on the issue of how many troops were being trained. It was a mistake, no question about it. The Secretary admitted to that. But as far as Senator KERRY was concerned that mistake, once admitted to, was still a mistake that deserved to be mocked. But the mistake Senator KERRY makes

is that he is saying the number is 5,000—5,000 troops. That is not what the Prime Minister said. The Prime Minister said 100,000, and growing, and that people are seeking to participate in the security forces of Iraq.

Furthermore, what he said was he did not want any more American troops, that he recognizes the responsibility of protecting Iraq should fall and will fall to a free Iraq Government and Iraqi security forces which answers to that government. He expects them to be able to accomplish that. He made it very clear that Senator KERRY may have a different view but that he thinks, from his experience in Iraq, that is not the case.

If you listened to Senator KERRY in his press conference, in response to Prime Minister Allawi's statement to the joint meeting of Congress, you almost sense that he hopes things are not going well. He, of course, gives the token statements: Oh, I really do want peace there. I really do want to win there. But with every token statement, there is a followup statement of how disastrous things are, how much chaos there is—a follow-on to his statement that replacing Saddam Hussein was a mistake because chaos followed.

It is an attitude which cannot possibly assist the Iraqi people as they reach for freedom, as they reach for liberty, to have a major candidate running for President of the United States basically saying they will not succeed and that it is time to take drastically different action. It is an attitude which I also suspect must have some impact on our own troops there who are looking for consistency from our leaders in their support for their efforts in that very difficult situation.

In this press conference, Senator KERRY went on to say that he has told the President, and he used the words: I have stood in Fulton, MO, and I gave the President advice about what he needed to do, and he did not take it. I stood at Georgetown University a year and a half ago and I gave the President advice about what he needed to do, and he did not take it. I stood on the floor of the Senate and I gave the President advice about what he needed to do, and he did not take it. I stood up last week in New York City and gave the President advice, and he did not take it.

The problem is, of course, he kept changing his advice. In every one of those speeches, the proposals he laid out as to what we should do in Iraq were different. He went from being for the war to being against the war. He went from being for giving the President authority to move forward to saying the President moved forward inappropriately with the authority. He went from saying that Saddam Hussein should absolutely be removed—and in his words; I paraphrase again but fairly accurately—that anybody who did not understand the necessity of removing Saddam Hussein should not be elected President because they did not understand the significance and the impor-

tance of removing Saddam Hussein and how significant that was—he went from that position to saying Saddam Hussein should not have been removed because it would create chaos. He may have given the President advice. He has advice every week.

The fact is, there have been such different positions in all these periods when he gave advice that we would have looked like a windmill or like a weather vane on top of a barn in the middle of a hurricane. Had we been following that advice, we would have been shifting positions so often.

The point is the President has said: We will stay with the Iraqi people as they seek peace and freedom. And if we are successful in creating a democracy which functions in Iraq—and Prime Minister Allawi made clear that is exactly what they intend to do, and they are well down the road toward accomplishing that, with 15 of 18 provinces being ready for elections now, and they intend to pursue elections in January—where liberty reigns and where law reigns and where women have rights, we will fundamentally undermine the capacity of fundamentally Islamic movements, the terrorist groups of this world, to recruit within the Muslim world, because the Muslim people will understand that freedom and democracy and rights and women having rights works to the benefit of their society and gives them a better life.

The Senator from Massachusetts has been quick to run down the statements made by Prime Minister Allawi. That is unfortunate. When Prime Minister Allawi said the only thing that could harm them would be forces of defeatism, he was speaking for his people. They want hope. They want the opportunity to succeed. And they need our support to accomplish that.

I have watched the evolution or the mutation or the development of Senator KERRY's position relative to Iraq. He spent a lot of time in New Hampshire campaigning in the primary. We had a chance to observe it there. At that time he was quite aggressively supportive of pursuing the efforts in Iraq. He was confronting, of course, an individual who took a much different position, Howard Dean, who said we should not be there. We should get out of there and peace at any price.

After that, he moved back to more of an attitude: We are making mistakes, and we should not be there under the context that we are there.

Then he moved to Saddam Hussein should have survived. It is better than the chaos that exists there today. And then he has moved to, we have made so many mistakes, I disagree absolutely with everything this administration has done relative to Iraq, which leaves the alternative: what would he do. Obviously, he would not have put Iraq on a course to peace, on the course to independence, on the course to freedom, on the course to democracy, on the course to liberty, on the course to giving women rights they didn't have

before. That is what the President has pursued. He would have abandoned—and it appears he would still—Prime Minister Allawi who has come forward so courageously and has stated so distinctly the basic essence of what this war is about, which is that it is about people seeking freedom.

He quoted Prime Minister Blair and he said: Prime Minister Blair said that this was a battle between people who are seeking freedom and those who wish to overwhelm freedom and that the basic impetus of all people is to want to be free; it doesn't matter whether they are Christian or Muslim, people want to be free. Prime Minister Allawi is trying to accomplish that for his people, with his people in Iraq. Yet we have a press conference here by the leading candidate of the other party, Senator KERRY, who basically contradicts all of what the Prime Minister has said, both as to the substance of what is happening on the ground and as to the purposes of what his goals are. That is terribly unfortunate. It is a fundamental shift in where Senator KERRY was when he was campaigning in New Hampshire, at least. It is almost as if he has decided to step into the shoes of Howard Dean and pursue that course as the new policy of the Democratic Party in this Presidential campaign.

That is unfortunate because Howard Dean, as decent and as honorable a person as he is—and I had the great privilege to serve with him as Governor; we became Governors of neighboring States about the same time; we had many very good experiences—the fact is, Governor Dean's policies were the wrong policies. And they were rejected by the party in the nominating process. It is unfortunate that Senator KERRY has sort of morphed into that position as he has evolved in this campaign.

This is a period of considerable need for consistency and determination on the part of our Nation, if we are to be successful in supporting a heroic and strong effort on the part of Prime Minister Allawi and his nation to obtain freedom and democracy and the rule of law which comes with it. I certainly hope we will not be abandoning that cause.

I yield the floor.

The PRESIDING OFFICER. The Senator from Vermont.

FOREIGN OPERATIONS AMENDMENTS

Mr. LEAHY. Mr. President, for the advice of my colleagues, I have been notified that the majority leader wishes to go soon to the Foreign Operations appropriations bill. The floor manager for the majority will be Senator MCCONNELL of Kentucky. I will floor manage for the Democratic side. Obviously, it will be up to the distinguished majority leader when the bill will actually be laid down. I just wanted to notify colleagues, I have been informed

we are about to go to it. I would hope as most of the issues on it have been worked out on a bipartisan fashion that we could move quickly. I know Senators may have amendments, but if we do soon go on this bill and allow Members to bring forward their amendments on this side, I would urge them to let us know what, if any, there are so we could seek time agreements once the bill is laid down.

I see the distinguished senior Senator from Ohio on the floor.

I wanted to make the observation that once the leader turns to this bill, I would hope Members, certainly on our side of the aisle—I would use the privilege of having been here 30 years to urge Members of the other side of the aisle—would speak to the appropriate leaders if they have amendments and see if there are things that can be worked out without a rollcall or can be worked out with a time agreement.

I yield the floor.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. DEWINE. Mr. President, as my friend and colleague Senator LEAHY has just said, in a few minutes we will be moving to the Foreign Operations bill. I thought I would take a few minutes in anticipation of that to talk a little bit about that bill.

Let me begin by thanking Chairman MCCONNELL and Ranking Member LEAHY for their great work. In a very tight budgeting year, they did a remarkable, bipartisan job. I also personally thank their staff, Paul Grove, Tim Rieser, and Mark Lippert. Their tireless efforts are greatly appreciated.

The staff has done a fabulous job, as have the two Senators. They have a great team.

I want to highlight several items. I know my colleagues will be outlining the bill in detail, but I want to talk about several things that I am particularly grateful that they were able to include in this bill, and I think they deserve our thanks.

First, this bill provides lifesaving humanitarian assistance to the Darfur region of Sudan. With the support of Chairman MCCONNELL and Ranking Member LEAHY, we were able to add \$150 million in emergency humanitarian relief.

I also want to recognize specific language that we were able to secure in the bill relating to child survival in HIV/AIDS. Specifically, I again thank the chairman and Senator LEAHY for their inclusion of language addressing the continued need for mother-to-child transmission programs, as well as the importance of AIDS pediatric treatment.

In addition, I am pleased the bill includes specific language about how to protect the transfer of land and property rights to AIDS orphans. These are individuals who cannot be forgotten, and making sure that we protect their rights is so very important.

The bill also has an additional \$15 million for the child survival primary

causes line item. Also, the bill includes the provision of Senators DURBIN and BROWNBACK that increases funding to the Global Fund by \$150 million, with half of that money dedicated to the treatment and prevention of malaria, a disease that kills over a million people a year, at least 700,000 of them African children. I commend both of my colleagues for that, and I commend, again, Senator LEAHY and Senator MCCONNELL for their help on that amendment.

Finally, I thank the chairman and ranking member and their staffs for the tremendous attention they have paid to Haiti. Because of their support, the Senate bill provides over \$82.5 million, excluding any assistance for food. That represents a 230-percent increase over the administration's original request. As my colleagues know, our assistance to Haiti is critical in helping our neighbor, a nation less than 800 miles from our shores, get back on its feet.

The committee included much needed report language in the bill outlining key priorities that should form the basis of our U.S. assistance strategy in Haiti and provides a reporting requirement to ensure that this strategy is developed in a multiyear, long-term fashion. Haiti's needs are immense. We simply cannot afford to turn our backs.

Mr. President, the commitment of the chairman and the ranking member to Haiti is clear. The committee's commitment to Haiti is clear and made more so by the support of the amendment we are offering today, a resolution calling for increased international assistance to Haiti. I know my colleague will talk about that shortly.

Specifically, the resolution focuses on two principal deficiencies we are facing in Haiti—funding and security, which are challenges that have been even further exacerbated these past few days. Haiti has been hard hit, as we have all read, by Tropical Storm Jeanne. The death toll so far is estimated at over a thousand. But, frankly, we believe that figure is going to climb as more bodies are found.

At least 1,200 to 1,300 Haitians are missing, presumably washed out to sea or buried in thick heavy mud.

On a personal note, I spoke this morning to my friend, Father Tom Hagan, from the organization Hands Together. Father Tom lives in Haiti and has lived there for many years. I talked to him on a cell phone this morning. He was back in Port-au-Prince. Yesterday, he traveled north to the city of Gonaives, and he also passed through the village of Brunette. He described for me on the phone the devastation he saw. What he told me was just unbelievable, shocking, absolutely tragic.

As father Tom moved up north and approached Gonaives, that village, about a mile outside of the city, was covered in water—2, 3, 4 feet of water. He said it was a huge lake, that in some places the water was up to the windows of his truck. He had a terrible time, frankly, getting up there.

I have a couple of photographs from Gonaives I want to show my colleagues. This picture was an AP photo taken in Gonaives. The second aerial photo was taken, again, in the city of Gonaives.

As Father Tom said, in the city most of the houses have been destroyed. The mud huts and concrete shacks crumbled, leaving standing only the houses made of stone. Anyone who has traveled in Haiti knows that most of the houses are made of mud—mud huts. Very few are made of stone. Very few are really made of anything substantial.

Father Tom told me the stench was overwhelming. Dead bodies were littering the roads and floating in the putrid standing water that remains. Dead animals abound and disease, of course, will soon be rampant.

Father Tom told me people were wandering about aimlessly in a state of confusion and desperation. He said that you can literally see the fear on people's faces. Mothers could be seen holding dead babies in their arms and walking around. Other mothers were carrying their young children above their heads, trying helplessly to keep them out of the flood water.

Father Tom said that even the animals seemed confused and didn't know where to go. Thousands of people have been displaced, with no food, no good water, and no shelter. Father Tom told me that the U.N. troops were visible on the ground, but even their compound is underwater. He saw aid workers from the Pan American Development Foundation. He saw some of their trucks and saw that they were trying to get aid to the people. Some of the trucks did get through to Gonaives, but others were turned over and stuck in the mud.

The village of Brunette, which lies very near Gonaives, has also become a lake. In January, 2003, Senator DURBIN, Senator NELSON, Senator NELSON's wife Grace, and my wife Fran, and I all traveled to Brunette. We visited the village and met with village leaders and schoolchildren. This is a picture of Brunette, the village we visited on that day. This was one of Father Tom's water development projects. As I said, we met with the village leaders and schoolchildren. It was a very happy day.

Senator DURBIN and Senator NELSON will recall that the bumpy ride we took, going up from Port-au-Prince, was 50 miles or so. It took about 4 hours to get up there because it was such a rough road. We did get there and saw this village. These are some of the pictures that we took on that day. The village that you see here is now gone, according to Father Tom. It is a lake, totally covered. You cannot see anything. All you can see there is water. It looks like a total lake. Father Tom assumes that the people just went to higher ground. That is the life these people are going to have to try to go back to and try to put together.

I ask my colleagues to try to imagine this village we see in this picture completely submerged in water, completely covered in fetid, disease-ridden floodwater. Father Tom said you can no longer see the houses above the water. All you can see is part of a cistern from the water project we visited that day.

Clearly, the people of Haiti need our help, now more than ever. This bill today is taking a number of steps that will aid the Haitian people. I congratulate Senator MCCONNELL and Senator LEAHY, the chairman and ranking member, for their great work.

With this recent disaster, the needs of the people of Haiti—food, water, and medicine—will even be greater.

I thank all my colleagues who have been so supportive of the efforts to help bring Haiti back to its feet. I ask them today for their continued support. I ask everyone for their prayers as well. This is a very difficult situation that the people of Haiti face today. The situation Father Tom described is clearly one that necessitates the United States and the international community to become even more involved, to get food in there, to get good water in there, and then be involved in helping to rebuild, in helping these people put their lives back together.

OHIO FLOODING

Mr. DEWINE. Mr. President, I want to also add that while there is a great deal of misery and suffering going on in Haiti right now because of the flooding, my home State of Ohio is also hurting. Several large regions of our State—the southern part, the eastern part—have also been very hard hit.

At least seven people we know of have died as a result of flooding since August. The hurricane has hit Ohio and has caused quite a toll. I will be traveling in some of that region in Ohio tomorrow to take a look myself. My representative Karen Sloan has been on the scene. She represents me out of my Marietta office, but she has been traveling throughout that region for a number of days and has been reporting back to me daily.

The people on the ground have been doing a great job, a courageous job. I congratulate them. It is going to take a lot of time to get things back up and running in a number of communities that have been hardest hit. I commend Governor Taft. I commend the Ohio Emergency Management Agency. I commend the men and women of the Ohio National Guard. I also commend the local officials who have worked so tirelessly, but also the countless volunteers and organizations who have worked to try to help the people who have been put out of their homes, people who have lost property, and people who have lost their loved ones. I congratulate them and thank them for the great work they have done. A lot of work still remains to be done in Ohio, as I know there does in many other States as well.

HONORING OUR ARMED FORCES

ARMY STAFF SERGEANT PAUL MARDIS

Mr. DEWINE. Mr. President, I have come to the floor this afternoon to pay tribute to a man who gave his life in service to our Nation fighting to protect his family, his fellow soldiers, and the Iraqi people. He was a brave young man who was mature certainly beyond his years.

Army SSG Paul Mardis served in the Army's 3rd Battalion, 5th Special Forces Group based out of Fort Campbell, KY. He was seriously injured in May when he was in northern Iraq and a bomb exploded next to his Humvee. Paul was transferred to Walter Reed Army Medical Center to recuperate. Although he fought valiantly to regain his strength, he came down with pneumonia and, tragically, his body was too weak to fight back. He passed away on July 15, 2004. He was only 25 years old.

Since his death, I have learned a lot about Paul Mardis. Perhaps most inspiring is that in his all too brief 25 years on this Earth, Paul lived life to the fullest. He accomplished many things of which people twice his age could only dream.

Paul was not someone who had things handed to him, either. His life was not always easy. He faced adversity early in his life, and even as a child he learned to cope better than most adults ever could. Paul's parents died when he was growing up. He was 10 when he lost his father and 14 when he lost his mother. If dealt that hand, many people might have become withdrawn and bitter, perhaps, but certainly not Paul. He continued to work hard at school, excel as a football player, and developed a level of maturity uncommon at any age.

Following the death of his parents, Paul went to live with his sister Sherri and her husband Tollison. Paul left the life he knew in Coshocton, OH, and moved to Florida. He finished high school there, graduating from Palmetto High in 1997. Though initially he did not want to make the move to Florida—I guess that is understandable with someone his age—Paul made the best of the situation and kept in touch with his friends in Coshocton, especially a young woman named Kacey, whom he would eventually marry in October of 2002.

After graduation, Paul attended Manatee Community College for a time. He knew he needed to earn more money to complete his college degree, so he decided to join the Army. Paul enlisted in September 1998 as an indirect fire infantryman, but he aspired to join the Special Operations Forces. He reached this goal when he became a Green Beret in 2001. SFC Don Kabrich, who served with Paul, once said that "Special Forces put our group through an assessment selection process. It's 3 weeks of circumstances and situations that take the cover off an individual, and you see who's inside. They found the best of the best in Paul."

One of the most impressive things about Paul was that if anyone had a

right to boast about his skills and accomplishments, it was certainly Paul Mardis. But he never did. He did not brag. He did not boast. He quietly went about his job—and doing it well, I might add.

Unbeknownst to his family, Paul had earned several awards in the short time he had been in the Army. He was awarded two Bronze Stars for Valor in Combat, the Army Commendation Medal, the Army Achievement Medal, the National Defense Service Medal, a Purple Heart, and had successfully completed all the schools of the elite forces, including graduating with honors from basic airborne school. Despite the accolades, Paul remained modest. When a nurse called him a hero as he lay recovering in the hospital, Paul insisted that he was nothing special, that he was just doing his job. But, Mr. President, we know better.

Paul touched the lives of all those with whom he came in contact, including Iraqis whom he barely knew. When Baghdad fell, Paul was part of a Special Forces liaison to the emerging political parties. At age 24—24—he was actively working to restructure a foreign government, an amazing accomplishment for anyone, but particularly someone his age.

Although he had many professional successes, Paul cultivated personal relationships in the Army that were very dear to him. Paul's Army buddies fondly remember him. They liked to joke that he was an "organizational fanatic." After finding old receipts tucked away in a filing cabinet, Paul took it upon himself to reinvent his unit's filing system. SSG Mark Conant, Paul's comrade, commented:

I believe Paul has entered the pearly Gates of Heaven and relieved St. Peter of his duties to get people through the gates more efficiently.

Conant and others also described Paul as an asset to the team and as a great friend.

I had the privilege of meeting Paul's family and some of his friends. His sister Sherri remembered that Paul never did anything halfway. He always went above and beyond what was expected. This is undeniable. Paul answered our Nation's call to serve and did whatever was needed.

It is impossible to honor Paul the way he deserves. The nature of his sacrifice will not allow it. I know that my words must fall short and my words must be inadequate. With that in mind, though, I would like to conclude with the words of Paul's wife Kacey. She said this about her beloved husband:

Paul was a brave individual who put his life on the line so that we could be free. He loved his country, fellow soldiers, and believed in what he was doing. We can go to sleep at night knowing that the world is a safer place because of people like Paul who were willing to make the ultimate sacrifice for our country. He was a true American hero.

Though Paul Mardis never wanted to call himself a hero, he could not be more deserving of the title.

I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GRAHAM of Florida. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAHAM of Florida. Mr. President, I ask unanimous consent to speak for up to 15 minutes as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTELLIGENCE REFORM

Mr. GRAHAM of Florida. Mr. President, this is the fourth floor statement I have made on the subject of intelligence reform. I have spoken previously about the history of our intelligence community, how did we get to where we are today. I have talked about the failures of the intelligence community to adapt after the end of the Cold War. And I have talked about the unfortunate lethargy with which both the current administration and, I must say, the Congress, have responded to the needs for much-needed reform of our intelligence agencies.

I must also express my gratitude for the excellent work of the independent 9/11 Commission. This Commission has built upon other sets of recommendations going back to the mid-1990s for the overhauling of our intelligence structure.

Today, I would like to spend a few minutes discussing the shape that I believe the organizational reform should take, and I would like to begin by briefly recalling the history of our modern Department of Defense.

The Defense Department evolution can be divided into three historic phases: first, pre-1947; second, 1947 through 1986; and, finally, 1986 until today.

In the first phase, the pre-1947 phase, practically going back to the birth of our Nation, we had independent services which had little coordination one with the other. The Navy had its own Cabinet level Secretary. The Army had its own Cabinet level Secretary.

The Army Air Corps, which was a product largely of the Second World War, was about to be spun off from the Army and almost certainly would have had its own bureaucratic structure. What avoided that from occurring was that Congress, at the insistence of President Harry Truman, stepped in, in 1947, with the National Security Act. This act created, among other things, the Department of Defense with a single civilian at the top and service chiefs reporting to that single Secretary at the top. That action did not end all rivalries and competition for budget dollars and prestige, but it helped.

However, there were dramatic instances of operational failures, includ-

ing the botched attempt to rescue hostages in Iran and the bombing of the Marine barracks in Lebanon and the problems which plagued the invasion of Grenada. All of these in their own way pointed to weaknesses in the structure that existed in the period from 1947 to 1986.

By 1986, Congress moved to address these concerns, the concerns that the services were not communicating well together or coordinating their activities toward common missions.

The Goldwater-Nichols Act of 1986 decentralized the military establishment and created joint operation commands based upon geography. The Joint Chiefs of Staff were given responsibility for planning and advising the civilian command structure on strategy. The joint commands have become very familiar to us all, and I might say, I am proud to say that three of these are based in my home State of Florida: the Southern Command in Miami, the Central Command, and the Special Operations Command in Tampa.

Goldwater-Nichols gave our Nation a much more effective mission-oriented warfighting machine. It is well recognized that this could not have happened had it been conducted under the centralized form of 1947.

The challenge today is, it took 39 years for the military to evolve from the centralized system of 1947 to the decentralized system of 1986. Using this analogy of our military command structure, I would suggest that our current intelligence community, the community of 2004, is in the pre-1947 state. I would further suggest that if this is the year to be "the 1947 for intelligence," we cannot wait 39 years to get it right with our intelligence community, that we cannot centralize the leadership of intelligence agencies under a new director of national intelligence and then wait for decades until we enact the equivalent of Goldwater-Nichols legislation for the decentralization of intelligence.

Given the threats we face around the world, it is urgent that in the same act that brings the intelligence agencies together—which are defined around functions—under a new director of national intelligence, that in that same legislation we need to lay out the plan for the most effective management of intelligence and collection and analysis in order to achieve the missions responding to the threats we have today.

At the very least, we should plant the seeds for the next necessary step—decentralization, jointness of effort among our intelligence agencies and personnel, and a mission-based orientation.

I would propose, as has the 9/11 Commission, that we empower the director of national intelligence to establish centers which are built not around regions of the world, as are our military commands, but around the threats to which our intelligence community must better understand and equip us to respond.

The 9/11 Commission recommended one such center, a center on counterterrorism. In the legislation that is currently being considered by the relevant committees in the Senate, there is a statutorily directed counterterrorism center. I am pleased that President Bush has now begun to provide, belatedly as it is, the creation of such a center by statute.

Other centers which should be authorized in this legislation but not specifically identified are those that focus on other challenges, challenges that we face today, challenges that we may face in the future.

For instance, I do not believe anyone in this Chamber would question the fact that we need to have a national intelligence center which focuses on how we are going to counter and combat the proliferation of weapons of mass destruction. We will probably also find that we need to have a center which focuses on financing, the financing of rogue states, the financing of terrorist organizations.

It is entirely possible that we will need to create centers to respond to threats that are defined by national boundaries or regions, such as the specific dangers posed by regimes in North Korea and Iran.

But most of the threats we now face do not lend themselves to geographic definitions. Just look at how al-Qaida has rejuvenated itself into so many decentralized parts of the world with such a flexible, nimble organizational structure, that we failed to wipe it out in Afghanistan, diverted our attention to Iraq, and have now allowed the enemy to become much more violent and effective.

The analogy that I have used is to that of a puddle of mercury. If you slam your fist into the mercury, it does not disappear. It becomes a thousand tiny blobs scattered over the tabletop. That is essentially what we have done to al-Qaida. We have slammed our fist into the puddle of mercury and now we are faced with literally hundreds of droplets around the world.

The key to this mission-based decentralization of intelligence, in my opinion, is that we must give the director of national intelligence the statutory authority to manage the community with flexibility and nimbleness so he or she can quickly establish new centers or modify existing centers as future threats emerge, just as Goldwater-Nichols has given that authority to the Secretary of Defense.

Again, there is an analogy in the Defense Department since Goldwater-Nichols. Originally, the countries of Syria and Lebanon were assigned to European Command because they were thought to be more relevant to European defense issues than the Middle East.

Recently, there has been a reorganization for those two countries, recognizing the fact of the threat they pose through such things as providing sanctuary to some of the major international terrorist groups, that it would

be more appropriate to assign them to Central Command which has responsibility for the Middle East and Central Asia. I am very pleased that such an approach has a growing number of advocates within the intelligence community.

As an example, Flynt Leverett, a former senior analyst at the CIA and later Senior Director for Middle Eastern Affairs at the National Security Council from 2002 to 2003, is now a visiting fellow at the Brookings Institution. He wrote an opinion piece for the *New York Times* in July of this year. In that article, Mr. Leverett said the following:

Clearly, structural reform needs to go beyond the creation of a freestanding intelligence "czar" who would oversee the entire American spy network. We need to develop a model of "jointness" for the intelligence community, analogous to that which Goldwater-Nichols Act did for the uniform military 18 years ago . . .

Before Goldwater-Nichols, too many modern military missions were characterized by disaster . . .

Since Goldwater-Nichols required the armed services to collaborate, we have seen the successes of Panama, Operation Desert Storm, and the outstanding battle performance of our forces in Afghanistan and Iraq.

This model should be applied to American intelligence.

This means moving away from the current organizational structure, [which is] defined primarily along disciplinary and agency lines . . .

Instead, we should organize and deploy our resources against high priority targets, including terrorism, weapons of mass destruction, China, and the problem states in the Middle East.

Focused on a particular target, each group would draw on people and resources from across the intelligence community. . . . Existing agencies would function primarily as providers of personnel and resources, much as the individual military services function in relationship to the combatant commands.

It is clear that our intelligence agencies cannot move towards partnership on their own. The post-9/11 battles among the counterterrorist center, the new Terrorism Threat Integration Center, the F.B.I., and the Department of Homeland Security over primacy in assessing the terrorist threat strongly suggest that we have regressed in our efforts to integrate . . .

It is going to require strong presidential and Congressional leadership to achieve genuine reform.

I ask unanimous consent that Mr. Leverett's entire article be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the *New York Times*, July 9, 2004]

FORCE SPIES TO WORK TOGETHER

(By Flynt Leverett)

WASHINGTON.—Today, the Senate Intelligence Committee is expected to release its report on the prewar intelligence on Iraq. The document is likely to make clear that America's intelligence network, particularly the Central Intelligence Agency, badly needs repair.

The Senate report will also show that America's intelligence shortcomings aren't going to be addressed simply by changing C.I.A. directors. As the report should make

clear, our spy services both failed to do a thorough enough job watching Iraq's weapons programs and played down evidence that challenged the prevailing assumptions that the programs were active. In addition, analysts did not critically evaluate their sources of information; instead, they marshaled the available evidence to paint the picture that policymakers wanted to see.

And how will President Bush and his administration respond to these findings? It's unlikely that they will do much of anything. After all, every independent panel that examined American post-cold-war intelligence—including President Bush's own Scowcroft commission—recognized that fundamental structural changes were needed in our intelligence services. Yet, the White House has remained steadfastly passive as critical problems have gone unaddressed. Meanwhile, administration loyalists have argued repeatedly that structural change is not needed to improve the community's performance, providing a politically comfortable rationale for the White House's inaction.

In theory, the argument against radical reform might seem plausible. The director of Central Intelligence today has sufficient authority on paper to address many of the issues that will be identified in the Senate report, like the failure of collectors and analysts to share information about sources.

But in practice, the C.I.A. has had a hard time breaking free from its culture of mediocrity. During my years in government at the C.I.A. and elsewhere, I was repeatedly told that the problems now publicly identified in the Senate report were going to be fixed. I remember years of discussion about the desirability of "co-locating" analysts and operations officers working on the same target—seeing to it that they had the equal access to information about their sources. But in the end, nothing was done to change old ways of doing business, setting the stage for the Iraq fiasco.

The story, it seems, hasn't changed much. In February, for example, Jami Miscik, the agency's deputy director of intelligence, told C.I.A. analysts in a speech that the problems with information-sharing would be fixed within 30 days. It's July, and nothing has happened.

Clearly, structural reform needs to go beyond the creation of a freestanding intelligence "czar" who would oversee the entire American spy network. We need to develop a model of "jointness" for the intelligence community, analogous to what the Goldwater-Nichols Act did for the uniformed military 18 years ago. That legislation made the chairman of the Joint Chiefs of Staff the principal military adviser to the president. It also mandated cross-service commands, defined regionally and functionally, as the operational chains of command for American military forces.

This change produced real improvement in military performance. Before Goldwater-Nichols, too many modern military missions were characterized by disaster: the botched attempt to rescue hostages in Iran, the bombing of the Marine barracks in Lebanon, the operational problems that plagued the invasion of Grenada.

Since Goldwater-Nichols required the armed services to collaborate, we have seen the successes of Panama, Operation Desert Storm and the outstanding battlefield performance of our forces in Afghanistan and Iraq.

This model should be applied to American intelligence. This means moving away from the current organizational structure, defined primarily along disciplinary and agency lines. (The C.I.A.'s directorate of intelligence, for example, is responsible for all-

source analysis; the directorate of operations is responsible for human intelligence collection; the National Security Agency is responsible for communications intelligence. Turf is sacred.)

Instead, we should organize and deploy our resources against high-priority targets, including terrorism, weapons of mass destruction, China and problem states in the Middle East. Focused on a particular target, each group would draw on people and resources from across the intelligence community. These new target-based centers would report to a new national intelligence director, not to heads of individual agencies. Existing agencies would function primarily as providers of personnel and resources, much as the individual military services function in relation to the combatant commands.

Certainly, there have been some tentative steps toward collaboration. The Counterterrorist Center and the Weapons Intelligence, Proliferation and Arms Control Center, both of which report to the director of Central Intelligence, reflect some of the logic of such cooperation. While the counterterrorist center wasn't inclusive enough to bring together information that might have stopped the 9/11 attacks, at least its analysts and operators are focused, in an integrated way, on their target.

Still, it is clear that our intelligence agencies cannot move toward partnership on their own. The post-9/11 battles among the counterterrorist center, the new Terrorist Threat Integration Center, the F.B.I., and the Department of Homeland Security over primacy in assessing the terrorist threat strongly suggest that we have regressed in the effort to integrate. For its part, the arms control center was not independent enough of C.I.A. views to avoid being led toward a flawed analysis of the Iraqi arsenal.

It is going to require strong presidential and Congressional leadership to achieve genuine reform. Thoughtful members on both sides of the aisle in both houses of Congress are already working on serious reform proposals, though nobody has yet had the courage to devise a Goldwater-Nichols Act for our spy agencies. In this context, the Bush administration's lack of initiative is inexplicable and unconscionable.

There are those who argue that intelligence reform should not be taken up during a political season. They are wrong. This kind of reform can take place only in a political moment. We need a thorough discussion of the issue in the context of the current presidential campaign so that whoever is inaugurated in January has a mandate to break organizational pottery in order to save American lives.

Mr. GRAHAM of Florida. The broad goal of ensuring that the Goldwater-Nichols model is applied to the intelligence community should be the top priority as we shape the organizational reforms in our pending legislation. It is my intention next week to speak to some specific organizational reforms which should be included in order to achieve this broader objective of a decentralized, joint, and nimble intelligence community, capable of responding to our emerging threats.

Let me repeat Flynt Leverett's conclusion: It is going to require strong Presidential and congressional leadership to achieve genuine reform.

That is our challenge. Next week, we will be tested as to whether we will be able and worthy to meet that challenge.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

REMARKS OF SENATOR DANIEL K. INOUE

Mr. STEVENS. Mr. President, there are times when one reads a speech that has been given by another Senator and reaches a conclusion and says: I could have given that speech.

Today I was given a copy of the statement made by my Senate brother from Hawaii, Senator INOUE, at the David Sarnoff Award Banquet last night. I came to the floor to commend that speech to Members of the Senate. I do think if Senators read it, some of them at least might change their position on some of the issues that are going to come before us next week.

This is a very thoughtful speech that Senator INOUE made. This David Sarnoff Award, as we all know, is named after the founder of the Association of Communications, Electronics, Intelligence and Information Systems Professionals, a group of people who have devoted their lives to improving the technology for our people who are engaged in the intelligence-gathering system of the United States.

This is an award that has been given to many distinguished people in the past—former Secretary Bill Perry, Secretary of State Colin Powell, former Senator and Vice President Al Gore, our current Vice President, DICK CHENEY. It is an award anyone would be proud to receive, but as a practical matter, I bet those people did not expect the speech of the type they heard. It is one that I think, as I said at the beginning, demonstrates what we say from time to time: That the two of us think alike and speak alike.

I commend this speech to Members of the Senate and hope Members will read it and understand it. I ask unanimous consent that Senator INOUE's speech be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR DANIEL K. INOUE AT THE DAVID SARNOFF AWARD BANQUET, SEPTEMBER 22, 2004

Admiral Browne, General Renzi, distinguished guests, I want to thank you for bestowing this great honor upon me. I am pleased to accept the David Sarnoff Award, named after your founder of the Association of Communications, Electronics, Intelligence and Information Systems Professionals.

Moreover, I am humbled to be included with such notables as Bill Perry, Colin Powell, Al Gore, and Dick Cheney in receiving this award.

David Sarnoff was a visionary who provided so much to the communications industry.

Rising from humble beginnings to become a powerhouse in the radio and television

business, he is indicative of the American success story. As one who has served in government most of my adult life, I especially admire Mr. Sarnoff for his goal of fostering a partnership between government and industry.

This partnership between the communications, electronics and information technology business has been critical to our Nation's security and to the advances in our defense and intelligence capabilities. So, I thank you most sincerely for this award.

My friends, we live in interesting and very dangerous times. Many felt with the collapse of the Soviet Union we had entered into a new era of global peace. Today however, we recognize that we face a new enemy, one that knows no borders and operates beyond the norms of civilized society.

Much of what you in the AFCEA Association do helps to fight this new threat and we thank you for that. Your hard work pays great dividends for our Nation's security every day. Through your efforts we have made tremendous improvements in command and control and communications and in information technology. These improvements are so critical to our Nation's defense and its intelligence capabilities.

I often remark that we have the greatest military in the world, perhaps in the history of mankind. Our young men and women who put on the uniform of this country serve us all magnificently.

Let me remind you that it is only one percent of our citizens who serve in our armed forces to protect the remaining 99 percent of us. We are truly in their debt.

It is for them that I strongly encourage our leaders to approve a robust budget to strengthen defense every year.

Your members also help to strengthen our defenses by improving electronics, communications and information technology programs. Your work helps every day to protect these young men and women and enable them to perform their mission more efficiently and effectively.

I would like to note tonight, in addition to our military, our Nation is lucky to be served by the men and women in our intelligence community. They truly represent the best in public service. And your work means a great deal to their success.

Today in Washington we are focused on intelligence, specifically on the intelligence community and the need for further improvement. The tragedy of 9-11 and the faulty intelligence which had many believing that Iraq had weapons of mass destruction led the 9-11 Commission and many others to call for reforming intelligence.

The Commission contends that we had an intelligence failure, that it was a systemic problem as opposed to several mistakes being made by our intelligence community. They blame it on a failure to connect the dots and a lack of imagination.

In their analysis, they note that several terrorists met in Malaysia and that a few proceeded from there to the United States and took part in the attack on 9-11. They conclude that the CIA should have recognized that these terrorists were linked to the bombing of the USS *Cole* and should have informed the FBI and the State Department about the meeting.

It is this type of error which they say necessitates an overhaul of our intelligence infrastructure.

We all wish that our analysts would have been prescient enough to recognize the relationship among these terrorists, and their connection to the *Cole* bombing, and the importance of the Malaysian meeting.

We all wish that these same analysts would have made that information available to the FBI and State Department where

there exists a possibility that it would have triggered an investigation of their movements here. But I for one believe it would have taken a lot of luck for that to have happened—more than simply connecting the dots or having better imagination.

Consider this point. It has been 3 years and 11 days since the attack on our Nation. In that time, we have devoted billions of dollars and we have sacrificed many young lives in the war on terrorism, but as far as we know, Osama Bin Laden remains hidden from view directing the far flung al Qaeda network.

Would anyone seriously claim that we have not worked hard enough to connect the dots?

Let's assume we capture Osama soon, somewhere in Pakistan. When we then learn how he escaped from Tora Bora and made his way to Pakistan will we blame faulty intelligence for letting him slip through our grasp?

I fear in today's environment some will offer that critique.

Ladies and gentlemen, intelligence is a tough business. Many of you, perhaps most of you have been involved as providers or users of intelligence in your distinguished careers. I am not telling you something new.

You have witnessed and in some cases taken part in the advances in communications and in command and control which have revolutionized intelligence. You know the incredible progress we have made through information technology. But, with all the highly sophisticated tools in our arsenal we still can't find Osama.

So I ask you, is then a failure of our intelligence system? I think most, if not all of you would agree it is not.

As you know, as ranking member of the Defense Appropriations Subcommittee, I have access to virtually all of our Nation's secrets, including those in the Defense Department and in intelligence programs as well.

I am well aware of what happens day to day in our intelligence business.

But, because of the necessary secrecy of intelligence, most Americans never hear about the success in intelligence.

If the CIA breaks up an al Qaeda cell in southern Europe or western Africa, it is not reported.

If a ship transporting raw materials for the construction of weapons of mass destruction is stopped in port before it reaches its destination, the world is unaware. You know, sometimes I just shake my head when I hear those in the media and even some of my colleagues criticize our intelligence capabilities because all they can see are the failures.

Over the past 3 years my committee has been informed of multiple threats most of which have never been publicized. The intelligence community must treat each warning with utmost care. They must research and investigate each one to determine its veracity, and then respond appropriately to those incidents which are deemed credible.

In many cases what some call connecting the dots is really like searching for a needle in a haystack. And, just to make it more difficult, there are many haystacks to examine and in some cases the needle looks exactly like hay. Sure the needles are there and theoretically they could be found, but should we really expect our analysts to find them every time?

My friends, intelligence is tough business. Our experts are working round the clock on these issues.

Furthermore, I want everyone to realize that we are not standing still. The intelligence community has come a long way in improving intelligence cooperation.

We created the terrorist threat integration center to bring analysts from various parts of the community to work together. The enactment of the PATRIOT Act brought down

a wall which had previously blocked information sharing between various parts of the intelligence community and the FBI.

Our leaders have successfully worked to break stovepipes and to ensure that information sharing is working.

The American communication and electronics business has been instrumental in assisting this effort. You have provided the technology to allow us to share information across agencies.

You have invented new ways to protect certain sensitive issues while still allowing many analysts to see essential data. Certainly more improvements are needed in intelligence cooperation and in new technology to improve information sharing. Together that partnership that David Sarnoff talked about a half century ago can help make this work. With your assistance I am confident we will succeed.

Ladies and gentlemen, our Nation has the finest national security apparatus—defense and intelligence—in the world. It's not perfect and it never will be. Some areas can be improved. But it is a critical capability. Our warfighters—our young men and women who, as we speak, are serving in harm's way—depend on seamless intelligence. Many of you help provide that capability to them. It is our solemn duty to ensure that we can continue to provide them the best.

You who represent the providers of these systems, you who are responsible for the revolution in information technology, I offer you my most heartfelt thanks for what you do. I say this because you provide the tools that protect our military.

You provide the tools to our first responders and homeland security managers that will help them hopefully deny and certainly defeat any additional terrorist activity. We are grateful for all you have done to improve our Nation's security.

And to those that want to rush to change our intelligence system and congressional oversight I urge caution. I would urge all to remember the old medical adage, first do no harm.

Again, I thank you for inviting me here to join you this evening and to receive the David Sarnoff Award. I wish you all the best. Thank you.

Mr. STEVENS. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. CORNYN). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ALTERNATIVE ENERGY TAX CREDITS

Mr. REID. Mr. President, we are going to soon be dealing with a tax conference report, and I am satisfied with what it does for the middle class—it is important and good—but I am disappointed with what it does not do for alternative energy.

It does have a provision in it dealing with wind, and I think that is important, but the United States needs a new strategy, a new vision to meet our energy needs. We cannot meet the demands for oil in this country by producing our way out of the problem. America controls less than 3 percent of

the oil reserves in the world, including what is in ANWR. So we must look elsewhere for other sources of energy like renewable energy.

This Nation is rich in renewable energy resources—the heat within the Earth, the warmth of the Sun, and the force of the wind. We have always been blessed with these resources. Now we have the technology to harness them efficiently.

The Senate is already on record supporting the development of renewable energy. We know that renewable energy can provide a steady supply of electricity that is made in the USA. We know it can create thousands of jobs. We know it can protect our environment and reduce global warming, and we know it can help reduce our dependence on oil from the Middle East. That is why the Senate has voted repeatedly to include strong incentives for the development of renewable energy in comprehensive energy bills. In fact, 54 Senators signed a letter last fall supporting a national goal of renewable energy or a renewable portfolio standard that would have required 10 percent of all electricity produced in this country by 2020 be generated from renewable sources.

Nevada has set some of the highest goals in the Nation for developing renewable energy. We are going to steadily increase our electricity generated from renewable sources with a goal of 15 percent by the year 2013. The Senate has also voted in its energy bills to expand and extend the section 45 production tax credit for renewable resources. In the last week, thirty-six Senators signed a letter urging that an extension and expansion of the section 45 production tax credit for renewable energy resources be included in the FSC/ETI bill, known as FSC.

The existing production tax credit only covers wind energy, closed-loop biomass, and poultry waste. We must extend and expand the production tax credit to include other renewable energy resources, such as geothermal, solar, and open-loop biomass. This is what the Senate has repeatedly supported.

We know the production tax credit will spur the production of solar and geothermal power because it has already worked for wind power.

There are farmers in the Midwest who make more money producing electricity from the windmills than they do from growing soybeans, wheat, and corn.

Because of the existing credit, combined with new technology, the development of wind energy has exploded in the past few years. By extending and expanding that incentive, the section 45 production tax credit would spur billions of dollars worth of economic development and create tens of thousands of jobs, especially in rural areas. But we may not be able to act on the FSC/ETI bill this year, so I was hopeful that the Senate and House committees that met to finalize a bill on tax cuts for

families would act to extend and expand section 45 production tax credits. They did not do that, and I am disappointed.

This legislation, which we will get later this evening, will only extend the production tax credit for a few renewable energy resources—wind, closed-loop biomass, and poultry waste—and they have enjoyed that credit for more than 10 years. So our job certainly is not done, and that is an understatement.

We are not on the road to diversifying the Nation's energy supply by increasing our use of renewable energy resources.

Wind will help us in Nevada, there is no question about that, but we would do well with solar and geothermal. We are the Saudi Arabia of geothermal energy. I like wind energy, but it is an intermittent energy supply that must be supplemented by geothermal, solar, open-loop biomass, and other renewables. Wind is stronger when it is part of a balanced renewable energy portfolio.

It is my understanding that the House will shortly announce conferees finally—finally—to the FSC bill so a conference can be convened. Let's do that so we can extend the production tax credit for eligible facilities from date of enactment through at least December 1, 2006. Eligible resources need to be expanded from wind and closed loop to include geothermal, solar, biomass, and other renewables.

It is important to include tradable credits to public power utilities and rural electric cooperatives, which serve 25 percent of the Nation's power customers, by allowing them to transfer their credits to taxable entities.

We all know that a reliable, clean supply of energy is a key to our Nation's success this century. We all appreciate the United States has been blessed with abundant resources of clean, renewable energy, and we all realize that the section 45 production tax credit has successfully spurred the development of wind power.

Now that tax incentive has expired. We must extend it and expand it, which we are going to do tonight for wind energy only, at least that is my understanding. So this is the first step toward the kind of energy policy our Nation needs, a policy that looks toward the future and makes our Nation stronger.

I repeat, I am quite certain that in this conference report coming to the floor this evening, there will be an extension of the wind energy production tax credit. We so badly need it in the other areas. This wind energy production tax credit is going to work and it is going to work well, but it would work a lot better if it had its companions, sun and geothermal.

I ask unanimous consent to print a letter from the Geothermal Energy Association in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

GEOTHERMAL ENERGY ASSOCIATION,
Washington, DC, September 23, 2004.

Hon. HARRY REID,
U.S. Senate,
Washington, DC.

DEAR SENATOR REID: Thank you for your clear and cogent remarks this afternoon on the Senate floor regarding a renewable energy production tax credit. Like you, we are disappointed that the Conference Committee on H.R. 1308 has extended this powerful incentive only for wind energy projects. As you said today in the Senate, "We must extend and expand the production tax credit to include other renewable energy resources like geothermal energy, solar energy, and open-loop biomass. This is what the Senate has repeatedly supported."

The Board of Directors of the Geothermal Energy Association has approved the following statement on this matter:

For the past twelve years, the PTC has been effectively a single technology incentive and it's time for that to end. Providing the PTC incentive to some renewable technologies while withholding it from others is detrimental to the latter, precludes balanced renewable industry growth, impedes utilization of valuable energy resources, and interferes with the natural operation of market forces. For these reasons, the present situation is not in the public interest. Congress should seek to encourage growth in all renewable technologies and expand the PTC to include all renewable technologies.

All renewable technologies should be treated fairly; either all should receive the benefit of the PTC to spur their growth, or none should receive it. At least in this manner all renewables would be competing on an equivalent basis. It is our hope that before Congress adjourns it will enact law provisions passed by the House and Senate that would expand the PTC to include geothermal energy and other renewable technologies.

We share your hope that the Conference Committee meeting to consider the FSC-ETI bill will take the next step and expand the Section 45 credit to all renewable technologies.

Sincerely,

KARL GAWELL,
Executive Director.

Mr. REID. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BINGAMAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

HIGH ENERGY PRICES AND THE STRATEGIC PETROLEUM RESERVE

Mr. BINGAMAN. Mr. President, I have come to the Senate floor to speak briefly, again, about the impact high energy prices are having on consumers and the increasingly misguided filling of the Strategic Petroleum Reserve.

This is not a new topic for discussion on the Senate floor. Rather, it is one we keep coming back to. Given the increase in oil prices we have seen this year, many of us have been contemplating the administration's decision to continue to fill the Strategic Petroleum Reserve in this high-priced environment and have been criticizing the administration's decision in that regard.

Yesterday, oil prices hit \$48.35 a barrel. Today, oil futures hit \$49 a barrel, just 40 cents under the all-time high of \$49.40 a barrel that was reached on August 30.

Market analysts attribute yesterday's sharp increase in prices to trader reactions to the Energy Information Administration's weekly inventory report. U.S. crude inventories dropped by 9.1 million barrels. More surprising was the decrease observed in petroleum product inventories, in particular in heating oil. Distillate inventories plunged by 1.5 million barrels. This may not sound like a lot, but given that this is the season in which stocks are normally built in anticipation of winter heating, it is a significant decline.

In a season in which we should be building stocks, we see national commercial crude stocks at the lowest level since February, and we see draws on the heating oil inventory we have. Heating oil prices have hit all-time highs on the NYMEX this past week, and the crude price, as I mentioned before, is once again near its all-time high.

Curiously, the administration is seeking to remove some 5 million barrels of crude oil from the market in October to continue with the filling of the Strategic Petroleum Reserve. This does not make good economic sense. The direct effect of removing that 5 million barrels from the market is to add more pressure to what we already know is a very tight market. It is to create even higher energy prices for consumers, and these are the same consumers who have been faced with record energy prices for the entire past year.

According to a recent analysis by the Energy Information Administration, the prices consumers pay for heating oil and natural gas and propane have increased 46 percent since 2000 when the current administration took office. Gasoline prices increased more than 30 percent this year alone. When can we hope that this administration will do something to help consumers fight these high energy costs? How high do prices have to go before we see some action?

Yesterday, rumors began circulating that the administration was contemplating a release of Strategic Petroleum Reserve in response to the disruptions by Hurricane Ivan to U.S. offshore production and oil imports. Reports in this morning's newspapers claim there are two companies that have requested permission to defer their Strategic Petroleum Reserve de-

liveries. They have requested that authority from the Department of Energy.

This afternoon, the Department of Energy announced that it intends to enter into negotiations with refiners for a loan of oil from the Strategic Petroleum Reserve. The press release notes that the Secretary has authorized those negotiations concerning that loan. I hope this announcement signals that the administration will start to take a more realistic approach to the current situation in oil markets.

For several months, I have advocated that we should suspend delivery of oil to the Strategic Petroleum Reserve until prices come down to a more reasonable level. Suspending the fill of the Strategic Petroleum Reserve during times of high oil prices makes good economic sense. Diverting high-priced Federal oil into the Strategic Petroleum Reserve does not make good economic sense.

By filling the Strategic Petroleum Reserve in this high-priced environment, we are effectively paying more for oil now than we would if we waited until prices came down. Filling the Strategic Petroleum Reserve when oil prices are high costs American taxpayers unnecessarily. Buy high, sell low is not a good strategy. It puts more pressure on already tight fuel markets and keeps oil prices higher for a longer period.

The royalty-in-kind oil program—that is the program being used to fill the Strategic Petroleum Reserve—was first envisioned in a low-price environment. The Government took oil from domestic producers on Federal lands when prices were low to absorb some of the excess oil. The royalty-in-kind program was used to keep domestic oil prices from falling even further. At that time, we were talking about \$14 per barrel of oil. Now we are talking about \$50 per barrel of oil. The royalty-in-kind program was not established to help high oil prices stay high, but by taking oil off the market in a high-priced environment, we essentially do that.

Suspending the filling of the Strategic Petroleum Reserve does not hurt our energy security. The Reserve already has 96 percent of its capacity. It has 670 million barrels that are now in storage—the highest level we have ever had. It currently covers 67 days of import capacity at a level of 10 million barrels per day of imports.

I do not know how this administration can justify its current plan of taking 5 million additional barrels off the market in October at the same time we are talking about granting loans of oil from the Strategic Petroleum Reserve, effectively releasing oil to refiners from the Strategic Petroleum Reserve. I hope the administration will rationalize its position and stop the filling of the Strategic Petroleum Reserve for the time being.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT—H.R. 4818

Mr. MCCONNELL. Mr. President, I ask unanimous consent that following consideration of the tax conference report, the Appropriations Committee be discharged from further consideration of H.R. 4818, the Foreign Operations appropriations bill, and the Senate now proceed to its consideration; provided that all after the enacting clause be stricken and the text of S. 2812, the Senate Foreign Operations appropriations bill, be inserted in lieu thereof; the amendment be considered as original text for the purpose of further amendment with no points of order waived; provided that the only first-degree amendments in order be managers' amendments agreed upon by both managers and the following list that I send to the desk; provided that the amendments listed as "relevant" be considered as related to the bill or the subject of foreign affairs.

I further ask that all listed first-degree amendments be subject to second-degree amendments that are relevant to the first-degree amendments to which they are offered.

I ask consent that following the disposition of amendments, the bill, as amended, be read a third time, and the Senate proceed to a vote on passage, without intervening action or debate; in addition, I ask consent that following passage, the Senate insist on its amendments, request a conference with the House on the disagreeing votes of the two Houses, and the Chair be authorized to appoint conferees on behalf of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

The list of amendments is as follows:

FOROPS AMENDMENTS

Grassley, Export Bank Funding; Grassley, VISA; Domenici, Relevant; Chafee, Relevant; Ensign, Relevant; Ensign, Relevant; Ensign, Relevant; Lugar, Sudan; Lugar, Relevant; Kyl, U.S. Policy of WMD.

Coleman, Israel; Frist, Relevant to any on list; Frist, Relevant to any on list; Frist, Relevant to any on list; McConnell, Relevant to any on list; McConnell, Relevant to any on list; McConnell, Relevant to any on list; McConnell, Relevant to any on list; Smith, Israel.

Bayh, Relevant; Biden, Relevant; Biden, Relevant; Biden, Relevant; Bingaman, Relevant; Boxer, Relevant; Boxer, Relevant; Byrd, Relevant; Byrd, Relevant; Byrd, Relevant to list.

Cantwell, Middle East Broadcasting; Cantwell, Global Hunger and National Security; Corzine, Relevant; Daschle, Relevant; Daschle, Related; Daschle, Relevant to list; Daschle, Religious Freedom; Dayton, Afghanistan; Dodd, Relevant; Dodd, Relevant.

Durbin, AIDS; Feinstein, Relevant; Har-kin, Ex-Im Bank; Lautenberg, Family Members at Dover AFB; Leahy, Managers amendments; Leahy, Relevant; Leahy, Relevant to list.

Schumer, Diplomatic Property Tax; Schumer, Saudi Arabia; Schumer, Saudi Arabia; Schumer, Relevant; Schumer, Relevant; Schumer, Relevant; Schumer, Relevant; Schumer, Relevant.

WORKING FAMILIES TAX RELIEF ACT OF 2004—CONFERENCE RE- PORT

Mr. MCCONNELL. Mr. President, I ask unanimous consent that following the granting of this request, the official Senate copy of the conference report to accompany H.R. 1308, the Relief for Working Families Tax Act, having been presented to the desk, the Senate proceed to 2 hours for debate, with 2 hours equally divided between the chairman and ranking member of the committee; provided that following that time, the Senate proceed to a vote on adoption of the conference report with no intervening action or debate and points of order waived; provided further that when the Senate receives the official papers from the House, the vote on passage appear at the appropriate place in the RECORD following the receipt of those papers; and finally, this agreement is null and void if the House does not agree to the conference report.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report.

The legislative clerk read as follows:

The Committee of Conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (H.R. 1308), to amend the Internal Revenue Code of 1986 to accelerate the increase in the refundability of the child tax credit, and for other purposes, having met, have agreed that the Senate recede from its disagreement to the amendment of the House to the amendment of the Senate to the text of the bill, and agree to the same with an amendment, signed by a majority of the conferees on the part of both Houses.

The PRESIDING OFFICER. The Senate will proceed to the consideration of the conference report.

Mr. MCCONNELL. Mr. President, momentarily we expect to turn to the family-friendly tax package. I understand the chairman of the Finance Committee is on the way. Pending his arrival, I suggest the absence of a quorum.

Mr. REID. I would amend that by asking that the time run on the 2 hours even though we are in a quorum call.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The senior assistant bill clerk proceeded to call the roll.

Mr. HATCH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATCH. Mr. President, I ask unanimous consent to deliver my remarks as in morning business.

Mr. GRASSLEY. I yield 5 minutes to the Senator from Utah for that purpose.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Utah is recognized. (The remarks of Mr. HATCH are printed in today's RECORD under "Morning Business.")

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. GRASSLEY. I yield myself such time as I might consume.

The conference on H.R. 1308 brings to the Senate for consideration the Working Families Tax Relief Act of 2004. This is a product of the cooperative efforts that Senator BAUCUS and I have had on a lot of legislation, and even though there were some differences of opinion within the conference, for the most part, many parts of this bill are things on which we mutually agree. There are some parts included that we might not agree on, but it doesn't keep us from getting it to finality.

I thank Senator BAUCUS for his cooperation as the leader of the Democrats on the Finance Committee and helping us get this bill to where it is.

First, we are here in a great part as well due to a determination of the President of the United States and his enunciation of a very clear tax policy that goes back to the year 2001. In fact, it goes back to probably before he was sworn in as President of the United States. This President saw that the economy was in an economic free fall in 2000. As you recall, in March of 2000, the NASDAQ started to lose half of its value, which it did. You also will remember that during that year the manufacturing sector started a 44-month slide.

The President knew these things were going on, so even before he was sworn in as President of the United States, he had a tax policy that was ready to go to stimulate the economy. So we passed that in 2001.

We added to it and sped it up a little bit in 2003 to bring about the rejuvenation of the economy that we now have. As an example, we have had 13 months of economic growth in employment, with 1.7 million new jobs created, and I think it will go on. So we are seeing the impact of the President's tax policies going back to that particular time.

What we are dealing with here is a conference committee report that will ensure that the tax reductions made in 2001 and 2003 stay as tax cuts, and that the benefit that working men and women get from that and the benefit that the economy has gotten from that by being rejuvenated with enhanced employment will not turn sour and our working men and women have to pay higher taxes starting next year because provisions of the Tax Code sunset.

Under that scenario, a sunset of tax legislation means there would otherwise be a big increase in taxes to working men and women starting automatically on January 1 of next year, hence, this legislation, to make sure those

sunsets do not occur, and we do not have automatic increases without a vote of Congress on the working men and women.

Those tax increases would be an unacceptable position to take, plus there is the injustice to working men and women, and we might be pulling the plug on the revival of the economy that the tax reductions of 2001 and 2003 brought to the economy.

Raising a family is always a struggle, and the last thing they need to do is to send more money to Washington. That money can certainly be better spent by mothers and fathers closer to home for lots of purposes. It could be helping educate a child, buying a better health insurance program, or allowing a parent to spend more time with their son or daughter at home instead of having to work an extra shift.

This basic package from the conference contains several key elements. One is extending the child tax credit and the marriage penalty relief for the 10-percent and 15-percent bracket. These provisions will now be in effect through the year 2010, accelerating the 15-percent refundability for low-income families starting this tax year. This is of particular importance to low-income families. Without doing this, there would be some disincentive to work.

Our policy in this country since 1996 has been to move people from welfare to work because people on welfare are in a lifetime of poverty, and the only way to move them from that situation is to encourage them into the world of work, and being in the world of work, they have an opportunity to move up the economic ladder. But there are some tax policies that discriminate against that. One of those is the regressivity of the payroll tax and even the hindrance of childcare, as an example.

What we do is reduce, not eliminate, the regressivity of the payroll tax so that is not a disincentive for people to go to work; that they know if they go to work, they are going to have more in the world of work than they may in some other lifestyle.

We also do an important simplification in the administration of the uniform definition of a child. Prior to this conference report, the Tax Code would have several different definitions of a child. Not only doesn't that make good legal and public sense, but it is also complicated. We bring uniformity to public policy, but we also bring some simplification to the Tax Code.

Then we also expand the earned-income tax credit and the child credit benefits for military serving in combat zones. We provide alternative minimum tax relief for millions of Americans in the year 2005. These are people who would be hit by the AMT who were never intended to be affected by the AMT. In fact, already there are more people hit by the alternative minimum tax than was ever intended when it was instituted in 1969.

Remember, in 1969, it was instituted to make sure that some Americans,

high-income Americans, and maybe also wealthy Americans who took advantage of every tax loophole they could take advantage of to wipe out any payment of any tax whatsoever, would make some contribution based on their success to the Federal Treasury so that everybody in our society was manning an oar in this effort to make our economy and our Government go.

Mr. President, do you know what is happening with AMT because it was not indexed back in 1969? It is beginning to hit a lot more wealthy people than it was ever intended to hit, hitting people who do not take advantage of every tax loophole and are still paying a lot of tax and being hit by the alternative minimum tax.

We are not doing a heck of a lot to help those people who have already been hit, but we are setting up a situation so that situation does not get worse. But to some extent we are putting off the inevitable. If we do not do something about this—and I take some responsibility for not doing enough, although I do remind people who are watching, and my colleagues, that in 1998, I did vote for a bill that did away with the alternative minimum tax totally. It went to President Clinton, and President Clinton vetoed the bill.

At that time, it would have been the ideal time to take care of it. But soon, instead of hitting 3 or 4 million Americans, it is going to be hitting 20 to 30 million Americans, and pretty soon it is going to be hitting the middle class, and it is going to be punitive to the middle class. Somewhere along the line, we have to adopt a policy that realizes that the consequences of our tax policies are hurting people we never intended to hurt, and if we want a stable society, we never want to hurt the middle class.

I know there are a lot of people in this body who believe if we make any changes in tax policy whatsoever, we have to offset it dollar for dollar. For every reduction we make, there is a \$1 increase in somebody else's taxes to make it up.

It is almost impossible to do that with the alternative minimum tax. We ought to decide sometime that something has gone wrong and correct the wrong, save the middle class, and not worry about offsets because people who will be paying the tax were never intended to pay the tax, and it does not make sense to tax them. But that is happening through the alternative minimum tax.

What do we do in this bill? We delay for 1 year finding a permanent fix to this situation. By doing it, we are not hurting any more people at least.

Finally, there is a provision in this bill to extend current law on several expiring tax provisions. In regard to these retiring tax provisions, I know there is frustration for some of my colleagues, particularly in the area of expanding the R&D tax credit. In order to reach agreement, my counterparts on

the Ways and Means Committee and I agreed that these extenders should be a clean 1-year extension. This had the solution of making no one happy, either in the Congress or in the economic sectors that are impacted by these tax provisions.

The House of Representatives had to accept extenders they did not want, as did we in this body, but it resolved the issue and allowed us to go forward.

I want my colleagues to know that I am committed to working with them on this issue and on other extender-related issues in the JOBS bill that hopefully now will go to conference.

We are going to be able to turn our full attention to the issue of the JOBS bill, which passed this body 3 or 4 months ago by 92 to 5. With the conclusion of this legislation, we are going to be able to work on that and hopefully complete it prior to leaving this October.

This bill provides great tax relief to millions of working families, and I commend President Bush for his leadership in making these proposals a reality.

One thing I need to explain to my colleagues, the President was hoping to get this done in July. Way back in the early winter, I decided the best time to take up this tax bill was now in September. I thought it would be easier to do, and I think the way it is working out it is easier to do.

I tried to respond to the President's inquiries to me about moving this in July, and I came up at that point not with a 5-year extension but with a 2-year extension because at that point we could get bipartisan movement and move it through. The White House did not want just a 2-year; they wanted the 5-year. I could not get the 5-year in July. So we dropped everything and then went home for our summer break during August and the two political party conventions and now we are back doing this.

Senator FRIST and I were called down to the White House in July to visit with the President about this issue. We had a meeting with the President, the Vice President, the chief of staff, and the chief congressional liaison. We discussed all these issues, and I presented the view to the President that I wanted to do this in September. He made the point he wanted to do it in July. I said I will try to do it in July, but, I said: Mr. President, there is also another issue connected as well, and that other issue is the JOBS bill. The JOBS bill is to create jobs in manufacturing. It also corrects a decision that the World Trade Organization made about our export tax laws. Everybody understands we have to do this.

I was presenting to the President at that particular meeting in July the necessity of getting this bill passed and how important it was, but that we had not heard a whole lot out of the White House about the JOBS bill. The President told me in July: Get this extension for me and then we will concentrate on the JOBS bill. We referred

to it as FSC/ETI and he referred to it as FSC/ETI as well.

So I hope now that we are delivering on this bill the President asked for, albeit 2 months late, that the President will keep his commitment to me to get the White House behind our JOBS bill, the FSC/ETI bill. That is what I heard him say. I think the President will keep his word to me and we will maybe now hear from the White House on the importance of the JOBS bill.

I yield the floor.

The PRESIDING OFFICER (Mr. COLEMAN). The Senator from Montana.

Mr. BAUCUS. Mr. President, I yield myself such time as I might consume.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAUCUS. Mr. President, I am pleased to be a part of this effort to improve significant tax relief for America's working families. I very much want to thank my good friend and colleague Chairman CHUCK GRASSLEY. As usual, he did a great job in the conference. He conducted an open and transparent conference at all times. He was very decent, very courteous, very fair. Sometimes it was difficult.

Senator LINCOLN and I were able to present some amendments and some ideas in an effort to improve the legislation. There was no resistance at all from the chairman. He was, again, gracious, top notch, transparent, very helpful, and I commend him.

Mr. GRASSLEY. I am sorry. I was not paying any attention.

Mr. BAUCUS. I sing the chairman's praises so often he is probably getting used to it, but I was telling everyone what a great job the chairman did last night.

Mr. GRASSLEY. I thank the Senator. I think we did what conference committees are supposed to do. If the Senator would let me interrupt, I think we do what conference committees are supposed to do. They conference and every idea people wanted to bring up was presented and debated.

Mr. BAUCUS. Mr. President, I totally agree. He said it much more directly, as he customarily does. I was a little more oblique and indirect, as I sometimes am. CHUCK GRASSLEY is basic good CHUCK GRASSLEY representing the State of Iowa in a very thoughtful and great way.

Mr. President, I will say a few words about this bill. First, it provides meaningful tax relief. It will clearly benefit millions of middle-income Americans. It largely is made up of extensions, basically provisions, for which I and many of our colleagues worked hard when Congress enacted them in the first place.

The package we consider today is also far better targeted than the package Congress enacted last year. What we are passing today includes provisions that are very important, more specifically to everyday people, to Montanans and to Minnesotans, to people all across the country.

That is not to say that this legislation, in my judgment, is perfect. It is

not. I think it has some quite significant shortcomings, but we are here today and this is a vote on the conference report. It is all or nothing and I frankly believe that the good in this bill significantly outweighs the bad. If I were drafting it, it would be quite a bit different than this legislation. But this is America, this is the legislative process, and it is a step forward and I will urge my colleagues to support it.

The legislation the Senate passed to begin this conference provided refundable child tax credits to low-income working families. That was the original bill. This was a \$3 billion to \$4 billion problem. Last June, the Senate responded and paid for it. This week, 15 months later, the conference committee produced a \$150 billion solution for that \$3 billion problem and the conference committee chose not to pay for that \$150 billion.

I am concerned. The Congress appears incapable of enacting reasonable tax cuts without adding to the deficit. Higher deficits will hurt the very families whom we have set out to help. They are the ones acutely harmed by higher interest rates that huge deficits cause. It will be the children of middle-income American families, those we are directly helping today, who will pay for that deficit with higher taxes throughout their lifetime. That is the underlying problem with this legislation.

Using this conference on a narrow, \$3 billion problem to move a broad \$150 billion tax bill is also an abuse of the Senate rules. Rule 28—and this may be a little bit inside baseball but it is very important to achieve comity and to get legislation passed here—is a rule which may still appear in the printed rule book but the conference report makes clear that for all intents and purposes rule 28 regarding the scope of conference is now dead. The majority plainly observes rule 28 only in the breach.

Let me take a moment to recount the history of this bill. It all started last year when the 2003 tax bill left out additional child tax credit payments for most low-income families with children. Last year's increase in the child tax credit left out fully one-quarter of Montana's children. It must be proportionately true in other parts of the country.

In the weeks that followed passage of that bill, Senators LINCOLN and SNOWE championed efforts to provide relief for these hard-working families. Today, more than a year too late, we finally followed through on their efforts to provide additional child tax credit relief to those families who were left out. Again, a quarter of the children in my State were left out, and I bet that is about true around the country.

Families who could only get a 10-percent refund can now get a 15-percent refund, as we have accelerated the increased child tax credit in this bill.

The conference agreement makes another significant change benefiting

families of military personnel serving in harm's way. Under current law, pay earned by our military in a combat zone does not count for purposes of calculating the earned income tax credit or the child tax credit. That is obviously an imperfection, to say the least, in the law. It is wrong. Our service men and women who are in harm's way should clearly not be discriminated against just because they happen to be fighting a war on our behalf. That is the case in the law and this bill partially but not entirely addresses it. It is the part that it does not fix that I will address later which I have a particular problem with.

Last year, I joined my friend Senator PRYOR in requesting a study to detail how this oversight affects our men and women in the military who are serving in some of the most dangerous locations in the world. What did the GAO find? It found that as many as 10,000 military personnel in combat zones will see a reduction or elimination of their child credit or earned-income tax credit. Why? Simply because they are serving abroad, in harm's way. I joined Senator PRYOR in introducing legislation which is part of the agreement today essentially to correct that inequity.

Unfortunately, the proposal today will still allow military families with combat pay to receive the earned-income tax credit for only 2 years, and then it goes away. Why? Why should that not be permanent? We tried last night to make it permanent, but unfortunately the conference would not agree.

During conference negotiations—and I take my hat off to Senator LINCOLN of Arkansas—Senator LINCOLN offered an amendment with my support to make this provision permanent. Again, the conference committee rejected it on a party-line vote. I don't know why the conference committee chose to penalize those military personnel who are serving in Afghanistan, serving in Iraq, in other dangerous parts of the world. We should make sure they are not discriminated against. I do not understand it. It is the least, the very least we could do for them. We should correct this entirely, and we should take care of those soldiers and sailors who are taking care of us.

I think we also all agree on our support for extending tax relief for middle-income taxpayers. That is clear. That is the basic reason I support the bill. The conference report does extend those tax provisions to the end of the decade. Basically there are three popular tax cuts on which many American families have come to rely: the \$1,000 child tax credit, marriage penalty relief, and the 10-percent income tax bracket.

The conference report also, I might add, extends for another year protection from the heinous alternative minimum tax, otherwise known as AMT. What is it? It is basically the provision in the Code that says after you go

through all your calculations and it turns out that you pay a very low income tax, American taxpayers—corporate taxpayers, too—have to go through another set of calculations that are a bit more onerous. Under the second, if the tax charge is higher than it would be in the regular calculations, they have to pay the higher amount. That is the AMT. It is beginning to kick in, as many Americans are beginning to realize, and it is going to be a much more difficult burden in the next couple or 3 years.

Not next year, however. This bill extends relief from the AMT for next year. Without this, millions of middle-income taxpayers who thought they would be recipients of the benefits of these tax cuts would lose them. Why? Because of the AMT. We give with one hand tax relief in the 10-percent bracket and from the marriage penalty, but it would be taken away with the imposition of the AMT. So we say let's not let AMT do that for another year.

Many of my colleagues also agree with me that we should not borrow to pay for these tax cuts, especially when other more fiscally responsible options are available. What are those? We now have a \$300 billion tax gap based on 2001 figures. That is the latest date for which the IRS has made an honest, responsible calculation. What is the tax gap? That is the \$311 billion in money that American taxpayers owe. It is due, but they are not paying it—\$300 billion. That is the tax gap. It is huge. Just think how much easier it would be for this country to pay its bills, provide for the wars in Afghanistan and Iraq, homeland security, education, if every American paid his or her legitimate taxes that are owed and due.

The IRS, unfortunately, does not have the personnel to solve this. There are lots of provisions in the law which allow, regrettably, taxpayers to take advantage of the Code. Clearly we should do something about that. I must say, I pressed the IRS in the committee, and I hope we finally get something done in the next couple of years. However, we have passed provisions several times which do address this tax gap. What are they? Anti tax shelter provisions. These are provisions suggested to the committee by the Joint Tax Committee on a bipartisan basis. They say, particularly to corporate taxpayers, if you do certain transactions, itemize these transactions, you have to list them on your return. You have to tell us you are doing these kinds of transactions so they are flagged and the IRS can better look at them.

In addition, we say there should be an economic substance doctrine. That should be enacted. What is that? That is basically the doctrine that says to a judge, if you look at this, if the IRS looks at this and if a taxpayer, corporate taxpayer, is being hypertechnical following the law, but still it is clear there is no economic substance here, the IRS can then find

the taxpayer should pay taxes on that transaction.

There are certain Enron related tax provisions that this Senate has also passed. I asked those to be on this bill because they can pay for part of the extension of the middle-income tax cuts. They are good in their own right. These are loophole closers. These are provisions to close corporate loopholes, to somewhat significantly reduce that \$300 billion tax gap. Yet that amendment was rejected by the conference committee, and I have no understanding why. I do not know why. I have just been told it can't be done. There is no legitimate reason. I challenged the committee for legitimate reasons. There were none. Yet we in the Congress today are adding to the deficit, we are adding to the debt with the passage of this legislation when we could have been at the same time enacting provisions to close corporate tax loopholes, loopholes that everybody agrees are loopholes. Joint Tax says it is a loophole. All commentators who look at this say it is a loophole. Yet this conference committee would not do something that is clearly the right thing to do.

We should close those loopholes, reduce that tax gap, and reduce the deficit. This conference committee doesn't do that. It says: Oh, no, we should not close corporate loopholes. It says: Oh, no, we should not reduce the deficit. It says: Oh, no. Why? Don't know. There were no reasons given. Clearly, it is the wrong thing to do to not enact the provisions. I suggested that have already passed this Senate. They have already passed this Senate by a large margin, and still the conference says: No, we are not going to close corporate loopholes. That is wrong.

I might add a further part of what I believe is good about this conference report. There is a simplification provision here that does simplify provisions of the Code. I don't have to tell you just how complicated the Code is. We all know. How does it simplify the Code? I will give one idea. It creates a uniform definition of a child in the Code. Today there are five separate definitions of a child in the Tax Code. They are all different. It just makes eminent sense that there will be one provision.

It is a start. I am not standing here to say that we have significantly simplified the Tax Code. We are making a start here with a single, uniform definition of a child. If we could take a step forward, even—no pun intended; maybe a “minor” pun—even if it is a baby step forward, certainly we should take it.

Another provision here, we also were able to continue certain provisions of the Tax Code which would otherwise expire. In the parlance here, they are called extenders. But for those who don't know what extenders are who may be listening, there are certain provisions in the Code which would expire,

and most people agree they should not expire. So we say, OK, we are going to continue them. One of the most popular is the R&D tax credit. Frankly, it is foolish to extend that. I think it should be permanent. We should not be back year after year revisiting this issue. It is nuts. It is ridiculous.

I also offered an amendment for a more expanded, a more realistic, a more honest research and development tax credit. What is that? Basically the provision we are extending is dated. It is based on data from 10 or 15 years ago. So companies today which have increased revenues but, say, 10 or 15 years ago were at a certain level of R&D expenditures now can't get the benefit of the R&D tax credit even if their sales are going up because their credit is based on the R&D they performed many years earlier.

I am saying let's bring it up today so American companies can perform the research and invest in the research we need to do to compete with countries around the world. It could be a modest increase in this bill. It is very small—I think it is about \$1 billion—not much at all, over 10 years, but that, too, was rejected for basically no reason. I didn't hear a reason. We have an obligation to start and continue to make America even more competitive. So many other countries give such a break to their companies for research and development in their own countries.

Canada, for example, has a 20-percent credit. Other countries have much more than we have. We are just kind of sitting here as a Congress and not really getting off the dime, getting off the ball to address this issue. I am sorry that was not added in the conference report.

Finally, the conference report does take what are called the technical corrections. Those are a long-overdue set of provisions. They are what they are described to be, dotting the i's and crossing the t's to correct minor mistakes, to simplify the Code by enacting corrections.

Finally, I want to say I support the bill. It will make life better for millions of hard-working American families. That is the bottom line. But, also, I might add it continues to ignore our continuing and dire budget deficit. We may turn a blind eye to that problem today, but that deficit is going to haunt us in years to come. Mark my words.

I urge my colleagues to support the bill. But I also strongly urge my colleagues to renew our resolve to address the budget failure that threatens our Nation. That is a challenge we can no longer simply avoid.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I yield the Senator from Texas 5 minutes.

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. Mr. President, I thank the distinguished chairman and

ranking member of the Finance Committee for getting this bill through. These family tax breaks are very important. The most time I have spent on anything in my time in the Senate has been for family tax relief, and particularly marriage penalty relief.

The first bill I introduced on this subject was several years ago to try to stop the penalty that people get when there are two working individuals and they get married because then they go into a higher tax bracket, and they get taxed more than if they had stayed single. That is the worst thing we could do in our society because, of course, we know that marriage is very helpful to family stability. It has been shown that children in families where there is a husband and a wife are less likely to suffer child abuse and more likely to do well in school. It has been shown time and time again that families do better in the area of raising their children when there are two parents in the household. But we have had a Tax Code that has discriminated against marriage. That is absolutely ludicrous.

Last year, with my colleagues and President Bush, we passed a \$350 billion tax cut. This is an economic growth package that is working. We have seen the fruits of our labor. The economy is coming back. The stock market has stabilized. Jobs are being created. So we have freed the economic engines of our economy by keeping more money in small business and more money in the pocketbooks of families.

One of the most important provisions provided immediate marriage penalty relief, making the standard deduction double that of single people and enlarging the 15-percent tax bracket for married joint filers to twice that of single filers. This provision saved 52 million married couples, 3.6 million of whom are in Texas, up to \$600 on their 2003 tax bills.

Enacting the marriage penalty relief was a giant step toward tax fairness. But the bill before us tonight is necessary to keep those tax cuts in place. Since the size of the bill was restricted to \$350 billion last year, the marriage penalty relief provision is only effective for 2 years. So if we do not act on the bill tonight, and pass it, marriage could be a taxable event once again in 2005. Without relief, 48 percent of married couples would lose the tax relief they have gained in the last 2 years.

Besides lower taxes, the other thing that is so important for our Tax Code is to have predictable taxes so a family can plan on what they are going to have in their budgets. That is why I hope eventually we will be able to make these tax cuts permanent. But at least today we are going to take a major step in the right direction for predictability of the tax cuts.

Marriage penalty relief will now be able to be counted on from today through 2010, if we pass the bill before us tonight. I think that is a major step in the right direction. Hopefully, between now and 2010 Congress will see

fit, working with President Bush, to make this relief permanent. Then our families will know exactly what they are going to have to spend, and they will have more in their pocketbooks as well.

I think it is very important to say this is not something that was easy. We know it was not. There are people who wanted to take the tax cuts away, so acting was very necessary to keep the child tax credit, to keep marriage penalty relief, and to give the overall relief to families in our country. But you can tell it has taken until the last month of this session to do it because many people wanted to put these tax cuts into other spending priorities.

I cannot think of anything better than having the money go back in the pocketbooks of those who earn it so they can spend it for their families the way they want to.

Mr. President, I know my time is expiring, but I just urge my colleagues to pass this bill. I thank the distinguished chairman and ranking member for making sure that marriage penalty relief is in the bill before us tonight so that we can count on now through 2010 that this will be available for people getting married in our country, to raise their families in the way they choose to do it.

Thank you, Mr. President. I yield the floor.

The PRESIDING OFFICER. The Senator's time has expired.

The Senator from Montana.

Mr. BAUCUS. Mr. President, before I yield to my very good friend from Arkansas, Senator LINCOLN, I would like to tell the Senate and those listening what a great job she has done, particularly in standing up for our military personnel overseas who have children and who are working men and women but whose incomes might not be as high as some others.

She is a tiger. She is a stalwart. She is there. And because of her efforts, this bill is a lot further along in a way that does help military personnel, maybe not as much as we would like yet, but she is to be highly commended for her work.

Mr. President, I yield 15 minutes to the Senator from Arkansas.

The PRESIDING OFFICER. The Senator from Arkansas.

Mrs. LINCOLN. Thank you, Mr. President, and a special thanks to my colleague, Senator BAUCUS, who has been a great mentor and great friend to me on the Senate Finance Committee, and a special thanks to our chairman, Senator GRASSLEY, for his transparency and his willingness to work with us always. We are very grateful for that. I think the conference we held under his leadership was certainly a conference where people were able to offer their ideas, bring their ideas and their passions to the table and express them. There are a few we were disappointed in not being able to succeed with, but I know the chairman knows I will be back at that another day, as I

usually am, to try and see if we cannot move some of those things along. But I appreciate his graciousness and certainly his willingness to work with all of us. And, again, I thank Senator BAUCUS for all of his hard work and gracious support of me.

I rise today in support of the Working Families Tax Relief Act that is before the Senate today because it does provide tax relief to low- and middle-income families who are struggling to make ends meet by making this child tax credit fully refundable beginning this year. If there is anything I noticed in the time I spent in Arkansas, in my home State, over the month of August, it was the unbelievable stress that working families in this great country find themselves under.

Workers are concerned about their job, whether they are going to keep their job. Maybe they have lost their job. Workers are certainly looking at what they are responsible for, such as can they pay for what their children's needs are, the taxes, the cost of gasoline, the expensive cost of health care. They are concerned about the availability of health care, access to it. They are looking at all of those concerns, including the unbelievable increase they have seen in higher education. Are their children going to be able to go to college? Can they put aside enough money for that? Will there be the resources they need?

Our working families are under unbelievable stress. If we want to strengthen families and, in turn, strengthen the fabric of our Nation, we have to work together to relieve some of that stress through the Tax Code, through lowering the tax responsibility of low- and middle-income working people and giving them the same ability to utilize the Tax Code for the benefit of supporting their families. We see a lot of upper income people who can use the Tax Code for that purpose, whether it is mortgage deductions or the fact they have more expendable income that they can set aside in an IRA or a 401(k), or using that Tax Code to help them support their families and the dreams they have for their families and their children. Giving that same capability to low- and middle-income working people is essential for all Americans to reach their potential and to at least have a shot at the American dream.

This bill is a huge step in bringing relief to working families who are putting so much of their resources into the economy. As my colleagues may recall, the conference report we are debating today is the byproduct of legislation I spearheaded in the Senate over a year ago. I compliment my colleague Senator OLYMPIA SNOWE. OLYMPIA and I worked very hard together on this issue, along with Senator BAUCUS and Chairman GRASSLEY. It was approved by an overwhelming vote in the Senate, 94 to 2. The Senate believed it was important enough to provide for low-income working families to take care of their children. Yet it has taken us this long to get to this point.

I don't want to sound ungrateful because I am tremendously grateful that we are here today to address this issue. But I hope as we look at the issues still before us, the ones we did not address in this bill, that it won't take us that long again to make the commonsense decisions that are required to reinforce the heartland of America and the working families who make up this great Nation.

We introduced back then and pushed passage of that proposal to ensure that working parents who were left out of the 2003 tax bill were able to fully benefit from tax provisions Congress had enacted to help families meet the demands of raising children. I have a Cub Scout meeting in about an hour and a half. I may not make it. But there are multiple demands on working families. Whether it is time, resources, our ability to give our children all of the things that we know, both as parents and having been children ourselves, they are critical in making the kind of people we want to be the leaders of tomorrow. And a huge part of that is having the resources to provide to your children just the basics.

Specifically, the tax package before us will restore provisions that were stripped from the 2003 bill that I had fought to include to allow working families to fully benefit from a \$400 increase in the child tax credit. This legislation will also extend critical tax provisions set to expire for married couples, which Senator HUTCHISON has talked about, and for all taxpayers who will benefit from the 10-percent bracket—again, putting resources back into the working families who are the stability of this country.

I stress that low-income working parents who benefit from the refundable child tax credit included in this bill must have earned income to qualify. This is not welfare. You sit down at the kitchen table with any of these families who are working and let me tell you, if you are working 5 days a week, 52 weeks out of the year, and you are making the minimum wage, you are making a little over \$10,000, you are working hard. This is not welfare. It is your Government and your Nation reinforcing who you are and what you stand for; that is, that you would use whatever your talents happen to be. They may not be as much as somebody else's, but you have talents, too. And you are using those talents to put back into this Nation and back into this economy.

It is so important for our colleagues to understand, because some of our colleagues have suggested that we should not expand eligibility for the child tax credit for lower income workers because they don't pay Federal income tax. These individuals work hard, and they do pay taxes. They pay sales taxes. They pay excise taxes. They pay property taxes, gas taxes, and payroll taxes on every one of those dollars they earn. They should benefit from the tax relief that we pass in Congress

because they suffer from all of the taxes that continue to increase, but they hardly ever benefit from the tax cuts that we produce here in Washington.

Are these families any different? They also struggle to meet the demands of providing for their children, just as others do—more than most, actually. I am confident this is the right thing to do for our Nation and its children.

As I said, we are talking about families who work hard and play by the rules. When they buy their blue jeans for school and their tennis shoes, their tires, their washing powder, it doesn't cost them any less than it costs us. Think about it, a family making \$20,000 a year doesn't get a special bargain at the store anymore so than the family making \$100,000.

While this tax relief package achieves fairness for millions of families with children who would otherwise be left behind, it doesn't include everything that I fought for during the negotiations in the conference committee this week.

Once again, I appreciate the chairman allowing me to offer my amendments and come before the conference committee and express my desires.

First, I believe we can and should have paid for this bill by eliminating tax shelters and loopholes. Why would we wait until tomorrow to do something constructive that we could do today? Why wouldn't we pay off part of our note today instead of continuing to accrue the interest on the debt that is about to swallow us up? For the life of me, I don't understand why some of my colleagues think that it is important to pay for the JOBS bill we hope to complete this year—I certainly do; it affects my State as much, if not more than any—but not this bill. Why is this bill not important to pay for? I think we should pay for both of them.

I supported an amendment in conference that was offered by my good friend and colleague Senator BAUCUS to pay for the tax provisions we are debating today. Unfortunately, it was defeated on party lines. Even though we were not successful in that attempt, I will renew my efforts to restore fiscal discipline next year by working with like-minded Members in a new Congress and hopefully with an administration that will take deficits seriously as well as their serious effect on our children.

It is critical that we look at the good policy of closing these loopholes and make certain the confidence of the American people in the economy of this country and the way we deal with those who choose to abuse the Tax Code.

Another issue I don't think we resolved appropriately involves the tax treatment of military families. Senator BAUCUS mentioned it. Last night, I offered an amendment to make sure that we take care of the men and women in the military who we depend

on to take care of us. These are people who put their families on hold. They put their life in harm's way.

You might think there are not a lot of people out there who fall into this category, in the low-income category, of needing the ability to choose where to put their combat pay for the purposes of calculating EITC. But there are more than 10,000. These are infantrymen, troops, members of our Armed Forces who could benefit greatly if given the opportunity as to whether they want to choose to put their combat pay into their taxable income for the purposes of EITC.

The conference report, in effect, imposes a tax increase on military personnel in the year 2006 and beyond because it only excludes combat pay in the calculation of the earned-income tax credit for low-income soldiers for only 2 years, 2004 and 2005.

These brave men and women who risk their lives to defend our freedom are the last people we should burden with uncertainty in the Tax Code. My colleague from Texas talked about the uncertainty and what it does to families if they cannot depend on the Tax Code to give them the relief and continue to do that. How do they plan? It is unbelievable to me that in 2006—and we don't know where we will be in our conflict in Iraq in 2006—we would give certainty to every other category in here. Yet we would not give that certainty to the military men and women serving this country. I think it is wrong, and I will be working very hard with Senators PRYOR and BAUCUS and others on legislation that will fix it, and fix it in a timely way.

I also offered an amendment to address an inequity in the refundable portion of the child tax credit. Under current law, the threshold to be eligible for the child tax credit is \$10,750, and it increases annually based on inflation. Unfortunately, for many low-income families, wages and income are not increasing. They are not keeping pace with inflation, and they will be unfairly denied tax relief under this approach in the years ahead.

Again, you might think this is just a small number of people, but the fact is that it is 4 million low-income people. Thirty million get the child tax credit in this country—30 million families. Eleven million of those are refundable. So 4 million of those 11 million families will not be able to access the full benefit of this child tax credit because we have not adjusted what we set into place.

My amendment would have returned the eligibility threshold to \$10,000, which is where it started when originally enacted in 2001 and would have removed the annual inflationary increase. What we have seen is that we have indexed that base, and we continue to see it increase so those who make below that are not eligible for that full benefit. Why would we not want to take it back to the original \$10,000 and take away that index and

give the benefit to the very families who are working hard, who are not seeing any increase in their wages or in their income, to make sure they have that same ability to take care of their children?

The taxpayers who are most at risk of losing this benefit are the very ones who need it the most. I hope we will reconsider this issue in the near future.

Even though this bill doesn't include everything, I think it should and I would like to amend certain provisions. I believe, on balance, it is an achievement for low- and middle-income families who need economic relief today. We made several attempts to try to make better those provisions that we were offering.

I also offered an amendment of the President's EITC simplification, which was in the President's budget, hoping that maybe that, coupled with what we were asking, would make Members feel comfortable that we, too, wanted to eliminate the fraud and abuse that existed to make sure we could reassure the American people that those who are working hard to earn their income would see the benefits that their Government could provide them, just as the higher income people could use that Tax Code to help them care for their families.

We also worked hard and I was pleased to see included the simplification or uniform definition of a child. I worked with Senator HATCH in committee very early on with that. We wanted to see more simplification of the Tax Code. It is amazing to think a child could be designated six or seven different ways under the Tax Code. Here, we realize that a child is a child, and I think that simplification was very important.

I am grateful for all the work that has gone into it. I thank again Chairman GRASSLEY, Senator BAUCUS, Senator SNOWE, and others for working with me to advance the provisions that I have fought for throughout my term in the Senate to strengthen families and children in Arkansas and across this Nation.

Before I yield the floor, I would be remiss if I didn't also thank my tax counsel, Mac Campbell, for his invaluable assistance, as well as the wonderful staff of both the minority and the majority of the Senate Finance Committee. These are unbelievably brilliant people who work hard day in and day out. I am appreciative of the hard work they put in and grateful for their help. I am grateful for this day and that we have come to the point where we can provide relief for working families.

I strongly believe that as we move forward in strengthening our Nation, we must begin with the fabric of our families and giving our families the means to strengthen themselves, looking at ways we can relieve the stress that they find themselves under every day. This bill will go a long way toward doing that.

I yield the floor.

Mr. GRASSLEY. Mr. President, I yield the Senator from Arizona 10 minutes.

Mr. MCCAIN. Mr. President, today we will be voting on a conference report to extend several very important middle class tax provisions through 2010.

Throughout the Senate's budget debates this year, I have consistently supported the extension of the marriage penalty relief and the child tax credit, and expansion of the 10 percent income tax bracket. The conference report before us extends these family tax relief provisions through 2010, and I will vote to support its passage. But I cannot cast this vote without also expressing my grave concerns over the very serious financial situation facing our country. We have got to start making some tough choices around here.

The cost of the measure before us today is estimated to be \$146 billion and it is not offset. Again, I support extending this tax relief to American families, but we have got to wake up and take a long hard look at how we are going to pay for all of this. As the saying goes, the future is now. We face a \$422 billion deficit, yet we continue to approve legislation containing billions and billions of dollars in unrequested and unauthorized pork barrel projects. In fact, according to the Congressional Research Service, the number of congressional earmarks found in the 13 annual appropriations bills only continue to grow. In 1994, the year the Republicans gained control of Congress, there were 4,126 earmarks. In 2004, there were 14,040! How can we defend that track record to the taxpayer?

It is unfortunate, although not surprising, that this conference report includes a number of special interest tax provisions. We would be doing a far better service to the American taxpayers if we were simply acting on the three family tax provisions I mentioned earlier.

Let me briefly discuss just one of these ad-ons. Nestled within this conference report is a provision to continue one of the most ironic and bizarre U.S. policies to be considered, not to mention enacted. Under the false guise of exploring environmentally friendly alternative energy sources, this conference report extends a subsidy offered to facilities that burn animal droppings—or as it is coined in this report, “poultry litter.” We have all heard of “litter bugs” and now we have “litter chickens.” I raised similar objections to a related provision when it was included in the FSC/ETC bill debated earlier this year.

I don't want to go into the poultry manure and by-product of droppings, but the fact is that no less green an organization than “Friends of the Earth” opposes burning these droppings as an energy source because the process, and I quote, “cause[s] serious environmental and community health problems.” Moreover, EPA studies have suggested that these facilities have the

potential to cause more air pollution than a coal plant. On top of all this, these facilities drive up prices on natural fertilizers used on American farms, actually detracting from an environmentally-friendly farming process that requires no government subsidy.

Why on earth are we wasting valuable money on such a subsidy, especially when such dire financial and energy needs are facing this country today? We have limited resources to devote to serious renewable energy sources such as solar, wind, geothermal, and sound biomass renewables. Subsidizing the burning of animal droppings does a disservice to worthy renewable energy programs.

Again, we must not continue to view spending in a vacuum or as piecemeal. The effects of our spending are cumulative, and the day is fast approaching when we will be forced to reap what we have sown. Earlier this year, we passed a so-called jobs bill estimated to cost \$180 billion, chock full of billions of dollars in tax breaks for wealthy oil and gas companies and other special interests.

On top of all this, last year we expanded Medicare, an already ailing entitlement program, by adding a costly prescription drug benefit. At the time, I spoke at length about my concerns that such an expansion would be detrimental to the future solvency of our Nation and leave future generations with a reckless and unjust financial burden.

Sure enough, that law's price tag grew from an estimated \$400 billion when it was passed by Congress to \$534 billion just 3 months later. Not surprisingly, this past Sunday, the Washington Post reported that the program is estimated to cost an additional \$42 billion, bringing it to a total of \$576 billion. I wonder what the next estimate will bring.

The prescription drug benefit represented the single largest expansion of Medicare since its creation, offering enormous profits and protections for a few of the country's most powerful interest groups: the pharmaceutical companies. That is who made out on this bill, Mr. President, not our seniors who do not understand it and do not get it. But the pharmaceutical companies did just fine.

When will we begin to make wiser and more fiscally responsible policy decisions? What is the result of all this? Everything has consequences. In March, it was reported that Medicare will face insolvency by 2019—by 2019. Because of the swelling cost of the program associated with the prescription drug benefit, Medicare will become insolvent 7 years sooner than previous estimates. An August 17 editorial in the Washington Post stated that “in 2004, the combined cost of Medicare and the Federal portion of Medicaid comes to 3.8 percent of GDP; by 2040, it will be 10.1 percent . . . the projected increase in health spending is nearly three times bigger than the projected increase in Social Security costs.” What

will it take to give Congress the wakeup call it needs? Again, we have to start addressing the serious fiscal realities of our future. We have to make some tough decisions.

Let's not forget we are at war. To date, we spent over \$100 billion for our operations in Iraq alone. That cost will escalate. I know—I don't guess—I know we are going to be in Iraq for a long time, and it is going to be very expensive. I will continue to support whatever is necessary to ensure that our brave men and women defending freedom around the world have everything they need to succeed and to come home safely. It appears that our commitments in Iraq and Afghanistan will last well into the future.

While doing these things, we need to be thinking about the future of America and the future generations that are going to be paying the tab for our outrageous, continued spending. It is not fiscally responsible for us to continue to spend and spend and spend without cutting spending elsewhere. We have had ample opportunities to tighten our belts in this town in recent years, and we have taken a pass each and every time.

According to the GAO, the unfunded Federal financial burden, such as public debt, future Social Security, Medicare, and Medicaid payments, totals more than \$40 trillion, or \$140,000 per man, woman, and child. To put this in perspective, the average mortgage, which is often a family's largest liability, is only \$124,000.

In a joint statement, the Committee for Economic Development, the Concord Coalition, and the Center on Budget and Policy Priorities stated:

Without a change in current (fiscal) policies, the Federal Government can expect to run a cumulative deficit of \$5 trillion over the next 10 years.

These figures are shameful and frightening. We are supposed to be helping out middle-income and low-income people with this tax cut today. Who suffers the most when interest rates go up and inflation goes up? People on fixed income and middle-income Americans.

We are mortgaging our children's and our grandchildren's futures. Did anybody have an idea that maybe we could cut some spending somewhere to maybe make up for a little bit of this generous tax cut? I never saw it proposed.

The Congressional Budget Office has issued warnings about the dangers that lie ahead if we continue to spend in this manner. In a report issued at the beginning of the year, CBO stated that because of rising health care costs and an aging population, "spending on entitlement programs—especially Medicare, Medicaid, and Social Security—will claim a sharply increasing share of the Nation's economic output over the coming decades."

The report went on to say:

Unless taxation reaches levels that are unprecedented in the United States, current

spending policies will probably be financially unsustainable over the next 50 years. An ever-growing burden of Federal debt held by the public would have a corrosive effect on the economy.

Additionally, CBO has projected a 10-year deficit of \$4.4 trillion.

Who are we hurting here by this continued spending that is going on? We are hurting our kids and our grandkids. I will probably be OK. We have a very generous retirement plan for Members of Congress, probably the most generous in the world. I would like to know what we are expecting to do for our kids and grandkids every time we add several billions of dollars.

One additional point, Mr. President. We added \$2.9 billion for drought conditions to a hurricane disaster bill. I see the Senator from South Dakota on the floor. I supported it. Did we try to offset it with any cut in spending anywhere? Maybe the chicken litter program, maybe the \$2 million we are spending this year to study the DNA of bears in Montana? No, we do not do any of that.

Our earmarks have gone up to 14,000 earmarks in the last 10 years, from 4,000. We are doing bad things, and we better stop doing it.

I yield the floor.

The PRESIDING OFFICER. Who yields time? The Democratic leader.

Mr. DASCHLE. Mr. President, I commend the Senator from Arizona for his strong and powerful statement with regard to fiscal responsibility. We need to find offsets. Many of us have shared the sentiment expressed by the Senator from Arizona on several occasions, and he is absolutely right. I am very concerned, as he has expressed, about the repercussions this is going to have not for this year but for years in the future.

We hear a lot about taxes. I think we ought to be concerned about what I call the birth tax. The birth tax is the tax every child pays or at least is responsible for when he or she is born. It is now \$26,000. Every child in America has a birth tax of \$26,000. That is his or her share of the Federal debt. And unless we address it, it is going to get worse. We ought to be embarrassed by the irresponsibility of doing things that are not properly offset and paid for.

This bill presents a dilemma for many of us because we have expressed great need for this Congress and this Senate in particular to address tax cuts with offsets. We have proposed, as the Senator from Arizona has noted, on several occasions ways to have done that. This bill could have been offset as well. It is not, and that is regrettable, but it is also a bill which recognizes that it is imperative that we continue to find ways with which to deal with the pressures, economically and financially, the middle-class families are feeling today.

Over the course of the last 4 years, the income for a typical American family has actually been reduced by \$1,500

in purchasing power, and yet the prices families today experience have gone up dramatically. Health costs have now exceeded 50 percent in those 4 years. Tuition costs have exceeded 28 percent. Gasoline prices have gone up 21 percent. Grocery prices overall have gone up 18 percent.

So while middle income has declined, the prices those middle-income families are feeling has gone up. And that is why this middle-class squeeze becomes more and more of a concern to families. Household incomes are down and expenses families face go up.

People I talk to in South Dakota are determined to try to find a way to make a better tomorrow for themselves and their families. As they continue to be frustrated by their inability to make ends meet, it is matters such as this that can make a difference.

That is why we are on the verge of doing right by these families by providing for tax relief that for a typical family could mean \$700 in savings. Yes, I wish it were offset. Yes, we should have done the responsible thing and found ways with which to ensure these cuts are paid for.

We have been trying to find ways to provide that middle-class relief now for years. Many of us were hoping we could have done it earlier this year, but because the administration balked at finding ways to resolve the differences that existed months ago, we find ourselves today in a situation where we finally can address what has been an unsatisfactory solution to the offsets but a widespread recognition that we have to address these tax cuts in a meaningful way before the end of this Congress.

So this bill first provides, as others have said, the child tax credit, which is designed to make it easier for families to make ends meet, to pay those bills, to recognize their income has declined. The tax credit was scheduled to fall to a maximum of \$700. With this legislation, 70,000 families in South Dakota will benefit from this \$1,000-per-child tax credit.

I am particularly proud that this group includes 15,000 South Dakota families, including many military families we had fought to include in the initial tax cut in 2001 who had received no tax credit under the initial plan that was produced as we considered this legislation now a couple of years ago.

We also ensure that getting married does not mean paying higher taxes. The marriage penalty relief is a matter of fairness for about 90,000 married couples in South Dakota, and we extend, of course, the 10-percent tax bracket that would have expired had this legislation not been agreed to. That ensures that 245,000 South Dakotans continue to benefit from the full 10-percent bracket.

For a typical South Dakota family of four making \$30,000, this legislation delivers a tax cut of more than \$725. That is real money. It can make a real difference in the lives of families I have

talked to, and it is exactly the kind of tax cut we ought to be supporting more regularly, not those at the very top who with billions of dollars do not need the tax relief, but families who need the help, who cannot make ends meet, who are having trouble paying their bills. They will welcome this relief. I am very pleased that, at long last, we can provide it.

There are other components of the bill that are also good for America and good for places like South Dakota. It extends the tax credit to encourage investments in wind energy. South Dakota has the potential to become a national leader in the production of wind-generated facilities. In fact, in both North and South Dakota alone, they could supply over two-thirds of the entire electricity needed for our Nation if we fully develop capacity to generate power from this renewable resource.

The conference report provides energy companies with a 1.8-cent tax credit for every kilowatt hour of electricity produced by wind energy. The extension of the producers tax credit which expired at the end of 2003 will guarantee investment in this industry and will hopefully lead not just to greater energy independence but jobs and economic growth as well.

The bill also includes two important provisions affecting Native Americans. The Indian employment tax credit encourages businesses to hire Native Americans by providing a tax credit to those providing employment, and the accelerated appreciation for business property on Indian reservations provides for faster tax writeoffs on certain business property on reservations. This encourages much needed investment.

For obvious reasons, this bill is far from where it ought to be. We had bipartisan support for a proposal sponsored by Senator McCain to crack down on corporate tax cheaters as a way to help offset the cost of this legislation. Unfortunately, some in the Republican leadership opposed outlawing those tax shelters. I wish we had been able to make this bill a win/win by providing tax relief for middle-class families while cracking down on corporate tax cheaters. Had we done that, we would have significantly reduced the cost of this bill to the deficit. But I do not believe it would be fair to penalize middle-class families simply because someone blocked this provision to prevent corporations from cheating on their taxes.

We have not given up on this effort to close those loopholes, nor have we given up on the effort to correct an error in the Tax Code that actually penalizes soldiers in combat by making it harder for them to receive the earned-income tax credit. Senator Pryor has long advanced this idea. Senators Lincoln and Baucus proposed this change in the conference committee and were rebuffed. For the life of me, I cannot understand why anyone would want to penalize our soldiers. If there is one group in America we should be doing

all we can do to help, it is our soldiers fighting in combat.

In the final analysis, this is the kind of tax cut that will help America, that rewards work and not wealth, that strengthens the middle class and provides America with so much of its strength. In spite of its flaws, it deserves our support, and I am hopeful that we will pass it this evening.

I yield the floor.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I am going to assume the Senator from Iowa is going to yield me 10 minutes.

Mr. GRASSLEY. Ten minutes, yes.

Mr. NICKLES. I want to compliment my colleague, Senator GRASSLEY from Iowa, and also Senator BAUCUS from Montana. I want to thank them for their leadership. I also want to thank every Senator who voted for the 2001 tax cut and for the 2003 tax cut.

I especially want to thank and acknowledge the work of my colleague and friend who is retiring from the Senate, Senator Zell Miller, because if he had not been courageous, particularly in 2003 when he cosponsored the bill we are extending today, we would not be here and families would not have had the tax relief.

I also want to compliment President Bush because he pushed for it and he got it. He pushed for it in 2001. We got part of it in 2001 but not much of it. We basically completed it in 2003, and American families got real tax relief. Now we are extending it.

I heard one of my colleagues just say: Well, this is worth \$600 for an average American family. Let me just give the facts. For a family who has taxable income of \$58,000, this is real relief. If they have \$58,000 and most of it is taxable income—most of us consider that middle income—and I have heard a lot of rhetoric: Well, those Bush tax cuts are only for the wealthy, they only benefited the fat cats. Let me just give the facts. I love facts.

If they have taxable income of \$58,000, if they have two kids, the bill we are going to pass tonight will save them \$600 because the \$1,000 tax credit which we passed in 2001, accelerated in 2003, would revert back to \$700, a difference of \$300 per child. So that is \$300 per child they will save. The \$1,000 tax credit per child happened because we passed the tax bill in 2001 and in 2003. The marriage penalty relief for the couple who has taxable income of \$58,000 will save \$911. Why is that? Because we basically take the 15-percent bracket for individuals and we double that amount for couples. That means a couple who makes \$58,000 will still be paying 15 percent. Above that amount, their taxable income, they pay 25 percent. If we do not pass this bill today, that amount they pay the higher bracket on is much lower. It is actually anything above \$49,000. The delta of that is \$9,000, a difference of 10 percent. So that is over \$900 in marriage penalty relief for middle-income families.

The 10-percent expansion expires, and we continue that. That is \$100. If that is added together for the family of four, middle-income America, making \$58,000 of taxable income, this bill will save them \$1,611, to be exact. That is a big savings. That is a 26-percent tax increase if we do not pass this bill. We will save them \$1,600 by passing this bill.

Basically, by passing this bill we are confirming that the bill we passed last year worked and middle-income Americans do quite well by it. I hope a lot of our colleagues who voted against the bill in 2001 or against the bill in 2003 will vote for the bill tonight because this confirms we are helping middle-income Americans. We are helping them a lot, not a couple of hundred dollars. I have heard some people say what we did for middle income was nothing, it was peanuts. This is not peanuts.

This is \$1,600 for a lot of families all across America. So I compliment President Bush, especially because I think that without his leadership, it would not have happened.

I thank those colleagues of ours, Democrats and Republicans, who passed this bill in 2001. And particularly I want to thank Zell Miller because he was helpful in 2003 in passing this bill we are extending tonight. We passed that bill, if my colleagues will remember, with the Vice President breaking the tie. It was a very contentious, very difficult challenge. The President asked me to sponsor the bill and I was happy to do so. We did some other good things in that bill, such as reducing the tax on capital gains to 15 percent, reducing the tax on distributions from corporations to 15 percent because we taxed distributions from corporations higher than any other country in the world. We tied Japan with the highest ranking. We partially eliminated double taxation and made it much more reasonable and responsible, so that was positive.

Incidentally, I might say when we introduced that bill in early 2003, the Dow Jones was 7700. Today the Dow Jones is over 10,000. The NASDAQ is up over 40 percent from when we started pushing this tax bill last year, so the tax bill has worked. There have been 1½ million new jobs created since we passed that bill. So we have had some positive, good signs.

This is a positive, good bill. Some people have complained and said we didn't do enough. Oh, we shortchanged the military combat personnel.

That is not correct. Some people want to greatly expand earned-income tax credits or expand refundability so the Government will write more checks. The earned-income tax program is a program that is one of the most error-prone programs in the Federal Government. It is over a \$30 billion program where we are writing checks—not a tax credit, we are writing checks in almost all cases—and there is a 30-percent error rate. Some people wanted to expand that and make more people

eligible for more money, more refundability. That is, not only are we going to take care and make sure you get a credit so you pay less taxes, but we are going to write you a check for taxes you didn't pay.

I don't agree with that. I oppose that. I don't think we should use the Tax Code for a welfare program. We have now a situation with the EIC where a person can get the Federal Government writing them a check for 40 percent of the money they are earning. To expand upon that and build that even more I think is irresponsible, when you have an error rate in the program of 30 percent. So that is the reason why there are some objections. I just mention that. The complicated—anyway, I don't need to go too much further.

I am pleased we are here tonight. I am pleased we are passing this package. I think this confirms that what we did in 2001 and 2003 has worked. We have helped American families.

One final comment. I have heard many comments that I wish we would pay for this program. I have heard several people say that. We are continuing the tax relief we gave last year. If we don't do that, there is going to be a tax increase. How many times do you hear the same colleagues say, when we want to continue to spend, Oh, wait a minute, we want to pay for that? Pay for the same amount of spending? For new spending? Never. As a matter of fact, we stopped \$1.7 trillion in new spending. Most of the people saying we have to pay for these tax cuts never want to pay for that new spending. They voted against amendments to stop that new spending, or they voted against budget points of order that did stop new spending.

I find it kind of interesting they only want to pay for anything that is called tax cuts, but they never want to pay for spending increases. It is a little ironic, a little interesting. I happen to have the facts and the votes and I am happy to share that. I have votes on every Member, every vote people have cast on spending provisions over the last several years.

The budget actually has worked. The budget we passed enabled us to have the tax cuts that enabled American families to keep more of their own money.

I might say we do have good news on the budget. The deficit figures are coming down by over \$100 billion, just by the last estimate. So we have made good progress. The economy is starting to work. I heard some people say incomes are down. Frankly, incomes are up. Jobs are up.

Receipts are up. CBO has been underestimating revenues.

Before, they were making mistakes where they were overestimating for a couple of years. Now they have been underestimating because the economy is growing faster. Corporate receipts are exceeding expectations. So the changes we made by reducing capital gains and dividend taxes are helping the economy grow.

These family-friendly tax cuts are helping American families. We are giving tax relief to taxpayers and that is what we should be doing in this bill. We are also giving continued assistance for people who do not pay taxes. We still have a very extensive refundability portion in this bill as well.

I urge our colleagues to vote for this bill. It is good news for taxpayers. It means for the American family which has taxable income of \$58,000, they are going to save \$1,600 on their tax bill for next year. That is positive, good news for American families and American taxpayers.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, I would like to yield to the Senator from Arkansas, Mr. PRYOR. He is a real leader in protecting our Armed Services personnel. In fact, it was he who asked for a GAO report a year or two ago that would highlight and identify the problem which has led to some constructive provisions in this bill. It is a great honor to yield 5 minutes to the Senator from Arkansas.

Mr. PRYOR. Mr. President, I thank my colleague for those very kind words. Also, I would like to thank Senator GRASSLEY. He knows I am a fan of his. We appreciate the good working relationship we have.

It is time that we care for those who take care of us. What I am talking about here is, in the conference yesterday there was a provision that was separated out that deals with our men and women not just in uniform but in combat. They are not receiving, in my view, fair treatment under this tax proposal.

Let me say, I am for this middle-class tax bill. I think it is a good piece of legislation. I commend the Finance Committee. They worked very hard on this. I appreciate all of their leadership. But when it comes time for the earned-income tax credit, I need to talk about that for a second because last year, in fact it was last March, I was in the Armed Services Committee and we were talking about the various benefit packages our men and women in uniform receive and it dawned on me that I am not sure anyone in our Government is connecting all the dots. So I approached Senator GRASSLEY and Senator BAUCUS and asked them to ask the GAO to do a review of military tax issues.

Sure enough, the GAO found a glitch, an oversight, an unintended consequence, as they call it, in the Tax Code, where if soldiers are trying to claim an earned-income tax credit and are also receiving combat pay, they actually get penalized under the Tax Code.

I know Congress never intended this, but it is the way it is. There are about 10,000 of our men and women in uniform today who are actually losing money on their taxes because of this unintended consequence. The amount

of tax dollars they are losing is anywhere from \$335 per taxpayer to \$4,534 per taxpayer.

As I said, this affects around 10,000 of our soldiers. We focus on the ones in Iraq, and certainly our prayers go out for those brave men and women, those heroes, but this also impacts people in Afghanistan and Bosnia and Herzegovina and other places around the globe. The way I feel about it is that so far we have lost 1,039 soldiers in Iraq. In fact, there have been more than 4,000 who have been so injured that they will be unable to return to combat. They are in harm's way for us every single day. They are putting their lives on the line, and I feel strongly that while they are over there fighting for us, we in the Congress need to be here fighting for them and for their families.

Also, when you look at this and you run the GAO numbers, this is peanuts in the grand scheme of things. It is only about \$30 million—that is million with an "m." We don't talk about millions very much when we talk about the Tax Code. We usually talk about billions. This is not very much money to the Federal Government, but this is real money to these people.

I believe strongly that they are in harm's way every single day, and the last thing they need to worry about is getting gypped on their taxes and having an unintended consequence like this.

Now that Congress is aware of this through the GAO report, I think we need to address it. I am very disappointed that in the conference yesterday they only extended it by 2 years instead of 5 years. I think this should receive the exact same treatment everything else does and be extended to 5 years.

Regardless of that, I still believe that is a good piece of legislation. I thank my colleague from Arkansas, Senator LINCOLN. She has been a great leader on the Finance Committee. She has done so many great things. Certainly, Senator BAUCUS and all of the members, Senator GRASSLEY and all these members of the Finance Committee have done great work.

I yield the floor.

Mr. NICKLES. Mr. President, will the Senator from Iowa yield 1 minute?

Mr. GRASSLEY. I yield 1 minute to the Senator from Oklahoma.

Mr. NICKLES. Mr. President, I have heard some statements where people are insinuating that American combat personnel are getting gypped by this bill. That is false. We are giving them a benefit they didn't have before. We are saying they can use combat pay in computing their earned-income tax credit, or not. If it is to their advantage to use it, they can. If it is to their advantage not to use it, they can pass. This is a new provision. This is something they didn't have in the past. They have it now for 2 years.

The Treasury advised against this because it is very complicated, very confusing, hard to monitor. I have already

complained on the floor tonight about how complicated the EIT program is. It already has a 30-percent error rate, and that is without this confusion. This was done previously. The Clinton administration said not to do it. We repealed it at their request. We are putting it back for 2 years. We are trying to see if we can make it work and be factually accurate in computing taxes. This is a new benefit for combat pay which, incidentally, is not taxed. It is a good deal for American soldiers. It is not a bad deal.

I resent the statement implying that they are coming up short. This is a good new benefit for them, and we will see if it works.

I thank my colleague from Iowa.

Mr. BUNNING. Mr. President, I rise today to support the American family and extend important tax relief provisions. This is one of the most important bills we will consider this year on the floor of the Senate. If we do not pass this bill, the Americans that need tax relief the most will instead face a huge tax increase next year.

I have consistently supported continuing the child tax credit, eliminating the marriage penalty, expanding the 10-percent tax bracket for the benefit of low- and middle-income taxpayers, and continuing alternative minimum tax relief. I introduced a bill with Senator Miller 5 months ago, The Working Family Tax Relief Act of 2004, which made permanent most of these important provisions. I am pleased that my colleagues on the conference committee were able to find a vehicle to bring an extension of the important provisions found in the Bunning-Miller tax bill before the entire Congress today.

Tax relief has played a central role in fostering economic growth throughout our economy. The President's tax cuts and our votes here in the Senate helped to revive an economy that was stalling in 2000 and shocked by the tragedies of September 11, 2001. The Senate adopted a tax strategy in 2001 to help America's working families and our economy. In 2003, we voted to accelerate the effective date of some of this family tax relief in order to give these families help as quickly as possible. And as a result, every American family who paid any income taxes during 2003 saw a reduction in their taxes, including well over one million Kentuckians. These Kentuckians will enjoy those lower taxes for this year as well. However, if we fail to act this year, America's working families will face a tax increase next year. We cannot allow that to happen. We cannot take back these tax cuts and threaten the financial security of American families just as they are recovering from the turbulence of the last few years.

Let me explain what is at stake here: If we do nothing, the child tax credit will be cut by 30 percent in 2005. Rather than let the credit revert to the old \$700 level, this legislation will extend the credit at \$1,000 for the next 5 years.

There are over 350,000 taxpayers in Kentucky who count on the \$1,000 child tax credit to help them provide for their families and I mean to do all I can to make sure they continue to receive it.

The lowest-income Americans have benefited dramatically from the new 10 percent tax bracket. The conference report before us today will extend this bracket through 2010. Today, thanks to this new bracket, working Americans are keeping more of their hard-earned paychecks. If we fail to pass this Conference Report, taxpayers with as little as \$7,000 in taxable income could face a tax increase next year. I will not go home to the 1.2 million taxpayers in my state who benefit from the lowered 10 percent bracket without doing all I can do to help them avoid this tax increase.

The accelerated marriage penalty relief will also lapse unless the Senate acts. I have worked for a long, long time to get rid of these stupid provisions of the tax law which discourage marriage. I was thrilled when we were finally able to fix this problem and it is vital to the future of almost one-half million Kentucky families that we do not allow this important legislation to backslide.

There are many other important provisions in this bill. The bill contains fixes to make sure that military families with loved ones working abroad to protect us here at home are eligible to receive the child tax credit. It also continues a provision to assist America's teachers when they pay for classroom supplies out of their own pockets.

This is vital legislation. Without it, we are telling the working families of America that we are no longer behind them and that we no longer want to stimulate economic expansion. The economy and job creation are both on an upswing, but we cannot become complacent. The people who benefit from these vital tax provisions are the backbone of our country and our economy. We cannot withdraw the support we promised working families in 2001 and again in 2003. I urge my colleagues to support this important legislation.

Mr. WARNER. Mr. President, today, as part of the Working Families Tax Relief Act, the Senate will pass legislation that I authored to extend for another 2 years an important tax relief provision aimed at America's teachers. The teacher tax relief benefit in this legislation will provide almost a half a billion dollars worth of tax relief targeted directly at our Nation's teachers.

Why do teachers need this kind of specific tax relief? It is estimated that the average teacher, who is already underpaid, is spending \$521 out of their own pocket each year on classroom materials—materials such as pens, pencils and books. First-year teachers, who typically earn less than the average teacher, spend even more, averaging \$701 a year on classroom expenses.

Why do they do this? Simply because school budgets are not adequate to

meet the costs of education. Our teachers are picking up the slack.

The Teacher Tax Relief Act is a small, yet important sign of recognition by the Federal Government of the many sacrifices that our teachers make. Originally signed into law in 2002 by President Bush, this legislation, which was authored by Senator COLLINS and myself, allowed teachers to take up to a \$250 above the line Federal deduction for classroom expenses. The deduction is available when teachers reach into their own pockets and take money out to buy simple things like pencils, erasers and books to help their students succeed in their education.

As passed in 2002, the Teacher Tax Relief Act was a 2-year tax relief provision. Accordingly, without the extension provided in the Working Families Tax Relief Act, teachers would soon have faced a higher tax bill. With passage of today's legislation, teachers are guaranteed that they will be able to utilize this important tax benefit for at least the next 2 years. I remain committed to working to expand the Teacher Tax Relief Act and to make this important legislation a permanent part of our Tax Code.

Mrs. FEINSTEIN. Mr. President, I rise today to offer my support for tax cuts for the American middle class.

This bill will do the following: extend the \$1,000 per child tax credit through 2010; eliminate the marriage penalty through 2010; extend the expanded 10 percent income tax bracket through 2010; provide one additional year of protection against the alternative minimum tax; and extend through 2005 business tax credits that recently expired or will soon expire.

Although I am disappointed that we could not provide tax incentives to additional energy related industries, such as open-loop biomass, many of these expiring business tax credits will benefit California companies; such as the research and development tax credit and the tax credit for electricity produced from wind energy.

But, the primary reason I support this bill is that it provides tax relief to the average American. These are the people who need the most relief. They are the ones most likely to spend their tax savings. And it is these expenditures that will assist in getting this economy off the ground.

I am supporting this conference report with a mixture of relief—that we recognize that the middle class deserves continued tax relief—and with concern as well, since we are in effect borrowing the money from our children and grandchildren to provide the tax breaks.

For the past 3 years this Government has gone on a fiscal spending spree of unprecedented proportions—cutting taxes and increasing spending at such a rate that we now see the largest deficits in this Nation's history.

This year alone we are expecting a budget deficit of more than \$420 billion

and a cumulative deficit of more than \$2.3 trillion over the next ten years.

In contrast, President Clinton left office with a \$236 billion surplus and a projected cumulative surplus of \$5.7 trillion from 2001–2010. This year's deficit represents a \$658 billion turnaround from 2000.

Last year, I introduced a bill that would rollback the President's 2001 tax cut for those who earn more than \$311,000. By rolling back the top income tax rate from 35 percent to 38.6 percent on income, capital gains and dividends, we would generate \$107 billion over the next 5 years according to the Joint Committee on Taxation. And if we had adopted my proposal as an amendment to this legislation we would pay for more than 73 percent of this tax break.

It is particularly distressing to me that this proposal, and others like it, have been defeated every time they have been offered.

This Congress and President must restore fiscal sanity to our budget and that includes the need for every citizen to share the burden.

Recent reports from the Congressional Budget Office, the Brookings Institute, and the Center on Budget and Policy Priorities have all described the bleak long-term budget outlook—one that this Congress cannot solve without taking decisive action to reduce our long term deficits.

In a recent study from the Congressional Budget Office, the agency warns that the burden of the Federal debt will have a corrosive effect on the economy. The debt will slow the economy and is unlikely to bring the Nation's long-term fiscal position into balance.

While I support this tax cut bill because it provides similar tax relief to the middle class that the President gave to the wealthiest American families in 2003, we need to take a very hard look at whether we can afford any additional tax cuts that are not supported by offsets.

As we all know, for every dollar we borrow, we incur interest and last year we paid a lot of interest. In fiscal year 2003 we spent more than \$318 billion in interest on the National debt. Every dollar spent to pay for interest is a dollar not spent to pay for education, defense, infrastructure improvements, job development, or homeland security.

Additionally, the President's 2004 deficit will place us even further away from the important goal of addressing the looming crises in both Social Security and Medicare. And when the baby boomers begin to retire in 2010, we will be facing even more difficult fiscal times.

In 2003, we spent \$1.2 trillion on Medicare, Social Security, and other entitlement programs. By 2009, we will be spending \$1.6 trillion, 57 percent of the budget. And in 2014, we will be spending \$2.1 trillion or 59 percent.

We have all heard Federal Reserve Chairman Alan Greenspan call on Congress to restrain the growth of the Fed-

eral budget deficit by adopting budget controls that would apply to new taxes as well as new spending. Mr. Greenspan has told the Senate Budget Committee that imposing such controls is "an essential element to restoring fiscal sanity."

Let us remember, that in 1998, following nearly 30 years of deficits and a 17-fold increase in Federal debt from \$365.8 billion to \$6.4 trillion, bipartisan cooperation brought the budget back into balance once again. For the first time in more than a generation, some of the funds which would have gone to pay interest on the debt were instead spent actually paying down the debt.

Now, deficits and interest costs are growing once again.

Finally, while I am supporting the tax cut legislation now before us because it recognizes the importance of helping the middle class, I believe it is critical that Congress restore fiscal discipline by paying for future spending increases and tax cuts.

Mr. HARKIN. Mr. President, the tax conference report before us is a purposeful mix of good and bad. On one side we have the content of the bill that is broadly supported on both sides of the aisle. There are few who disagree with the considerable majority of the conference report's provisions. Increasing the child credit, reducing marriage penalty provisions and the extension of the child credit do help the middle class and those of modest means.

I do think it was unfortunate that the measure did not adjust the child credit so more modest income working families could benefit more fully from the provision.

We do need to fix the alternative minimum tax. This bill kicks the ball down the street for another year. The 2001 tax bill effectively doubled the number of taxpayers impacted by the tax once a short term band-aid expired. So, here we have another 1-year band-aid. This is a growing problem with growing cost estimates to fix it.

The measure extends the R&D credit, the work opportunity tax credit, the wind and biomass credit, all of which I support. Clearly, these credits should be extended for longer periods of time. With this bill, they are only effective for another 14 months, until the end of next year. That is hardly good tax policy. Year after year, the Congress extends these provisions for a short time, not providing a longer term, which would allow business to plan.

However, the biggest problem with this conference report is that it is not paid for: \$146 billion in additional spending with no offsetting of that cost.

This bill comes to the Senate in an abusive fashion. The majority decided to use a very narrow measure in conference and hijacked it to avoid the Senate floor on this far larger package of tax provisions. The majority knew that the provisions were very popular and would pass. But they also knew that there might be a majority in the

Senate that would like to see the provisions paid for.

By not paying for them, by using this conference mechanism, we add to the government's skyrocketing debt. This year we have a record \$422 billion deficit.

The one word that describes the Bush tax policy of never wanting to offset the cost of tax cuts is reckless. When President Bush came into office we were on track to completely eliminate the publicly held debt by 2009. Now, by 2009, we expect—and I am using OMB's own figures—to pay the equivalent of about \$1,000 in interest on the debt for every man, woman and child in America. It is weakening America. It is making us less able to meet the needs of our growing elderly population and our children.

Under a new CBO document released today, we see projections of deficits of more than \$300 billion every year if we follow President Bush's policies, and we see deficits above the current levels a decade from now. Going into the future, with the retirement of the baby boomers, things only get worse.

What we are seeing is a growing debt tax. The interest on those bonds must always be paid, paid by our children and grandchildren.

One solution, I think we must consider is hard and fast paygo rules that were in effect through the 1990s that helped us to reduce the deficits. That is, simply, that if we lower taxes we need to pay for it by raising other taxes or cut spending. If we increase mandatory spending, we must cut other spending or raise taxes.

If we do not have serious, enforceable paygo rules, given the abuse of the conference process we have just seen, we should not allow future Finance Committee measures to go to conference. The only exception should be where clear public agreements are reached that a conference report will be fully paid for.

Mr. ROCKEFELLER. Mr. President, today the Senate is taking important action to protect working Americans from a tax increase at the end of the year. I am pleased to join my colleagues in voting for this bill and supporting middle class families. Of all the tax cuts enacted in recent years, these are the tax cuts that are most valuable and important for working families in West Virginia. These tax cuts should never have been set to expire at the end of the year, and I am relieved that we are putting to rest any worries about taxes increasing next year.

The Working Families Tax Relief Act extends three critical tax cuts that Congress enacted last year. First, it will keep the child tax credit at \$1,000. Second, this bill maintains the expanded 10 percent tax bracket, covering just over \$7,000 in income for individuals or \$14,000 for married couples. And third, it will provide marriage penalty relief. These provisions provide a benefit to virtually every American who

pays income tax, and I have always believed that they ought to be the cornerstone of our tax relief efforts. I objected last year when Congress passed tax relief that provided middle class tax cuts for only 2 years while providing \$150 billion worth of tax cuts for dividends and capital gains over four years. I opposed last year's bill, because tax relief for families was short-changed to provide more benefits to wealthy investors. The legislation I am supporting today is an important step toward fixing the bad bill passed last year.

The legislation we will pass today also includes a critical increase in the child tax credit for low-income families. I have fought for a long time to increase the amount of the credit that could be refunded to families earning between about \$10,000 and \$25,000. These families are struggling to provide clothes, school supplies, and other necessities for their children. Today, Congress is recognizing how hard they work and increasing the value of the refundable child tax credit for them by as much as 50 percent. More than 55,000 West Virginia children will benefit from this improvement.

I would also like to send word to all of our forces fighting in Afghanistan and Iraq that we appreciate the work they are doing and today we are fixing the tax code to be sure that it does not punish them for serving in a combat zone. Because combat pay is not subject to regular federal income tax, some service personnel have found themselves ineligible for the child tax credit or the earned income tax credit, EITC. This was certainly never the intent of making combat pay tax exempt. This legislation rectifies the situation, so that combat pay will be counted as earned income for purposes of calculating both the child credit and the EITC. I daresay that if any American anywhere is earning their income, it is the soldiers, sailors, airmen, and marines who are fighting in some of the most dangerous places on Earth.

Unfortunately, this legislation still has some serious shortcomings. Perhaps the most appalling is that the provision to ensure that service personnel are able to count combat pay toward the earned income credit is set to expire after 2 years. As much as I would like to think that Americans will not be fighting in combat zones two years from now, I am not that naive, and the tax code should be fixed permanently. I am also disappointed that the child tax credit income threshold was not adjusted to protect some of our poorest working families. We know that low wages are not keeping pace with inflation, and because the child tax credit threshold increases with inflation more and more families will lose their child credit every year. I will continue to fight for those families.

I also believe that this legislation irresponsibly and unnecessarily increases the federal deficit. Tax relief to

working families should not be passed down as a bill to our children. But much to my disappointment the leaders on the other side of the aisle have rejected efforts to offset the cost of this legislation, at least in part by closing indefensible corporate tax loopholes. I will continue to fight to eliminate abusive tax shelters, and I hope that all of my colleagues will come to appreciate the need to do so.

Mr. President, this is certainly not a perfect bill. But I have been in the Senate long enough to know how unlikely a perfect bill ever is. The Working Families Tax Relief Act will protect West Virginians from facing higher taxes next year, and I look forward to casting my vote in favor of it.

Mr. FEINGOLD. Mr. President, I will support this conference report. I regret that the important tax cut extensions included in this measure have been used as a political device by the White House and Congressional leadership. We could have had a more fiscally responsible, fully offset package of middle class tax cuts, but the White House and Congressional leadership have blocked that.

Instead, we are forced to choose between two bad options: failing to extend these needed tax breaks, and adding still more to the mountain of debt that has been piled up in the last 4 years.

Let me note that the reason we must extend these important tax cuts, the reason they were not simply made a permanent part of tax law, was because of the choice made in 2001 and 2003 to use the reconciliation process to jam through a partisan tax agenda. Had leadership pursued the usual procedure for tax bills, bringing legislation to the floor subject to the normal amendment process, we would still have enacted significant tax relief, but they would have been permanent.

But, the leadership chose to abuse the special reconciliation process, which was intended not to shelter a tax cut from amendment but to protect the difficult work of enacting deficit reduction packages. Reconciliation was used in order to push through a tax agenda that was skewed. And because they chose that process, they were forced to sunset the tax cuts. So instead of a sensible, and sustainable tax policy, we have this herky-jerky off-again on-again set of tax cuts. That's why we have to come back and extend them. It is why we have this bizarre estate tax policy which phases down the estate tax over several years, then eliminates it completely for a year, and then fully reinstates it back to pre-2001 levels.

This is no way to craft tax policy, Mr. President. We should have reinstated the PAYGO rule earlier this year, as a bipartisan majority of this body went on record supporting. The PAYGO rule was instrumental in helping to reduce and finally eliminate annual budget deficits during the last decade. We need to bring it back.

Mr. President, Congress could have fully offset the cost of this measure,

but it was prevented from doing so for political reasons. I hope the next Congress will stop this nonsense, find sufficient offsets for this tax bill so that our children and grandchildren won't get stuck with the tab, and then reinstate the PAYGO rule that helped us reduce and finally eliminate annual budget deficits just a few years ago.

Mr. KENNEDY. Mr. President, the legislation we are considering today should not be necessary. It is necessary only because the Republican leadership ignored the need of middle class families for meaningful tax relief when they were enacting \$330 billion in new tax breaks that primarily benefit the wealthy last year. If you want to know whose side President Bush and Congressional Republicans are really on, you should look at their record.

Just last year, the Republicans passed a major tax bill. In that bill, they dramatically cut the tax rate on dividend and capital gains income at a cost of \$150 billion. They decided that the tax rate on a worker's hard-earned paycheck should be nearly double the tax rate on a wealthy person's investments. They considered tax breaks for wealthy investors to be a much higher priority than middle class tax relief.

In that same legislation, they spent billions more making sure that upper income taxpayers would benefit from lower rates every year through 2010. And the rate to be paid by the richest 1 percent of taxpayers was reduced the most, with little regard to the cost.

However, when it came to tax relief for middle class families—the \$1,000 child credit, marriage penalty relief, and expansion of the 10 percent tax bracket—the Republicans were far less generous. They voted to terminate the middle class tax benefits contained in the bill at the end of this year. Under the Republican plan passed last year, at the end of 2004—just 3 months from now—the child tax credit will shrink, the marriage penalty will return, and working families will pay higher taxes on their wages. Their Cinderella tax relief for the middle class will vanish at the stroke of midnight on New Year's Eve. What a farce!

The Republican claim of concern for the middle class is laughable. Don't believe what they say. Look at what they do. When they had to choose between real tax relief for hard working families—relief that would not disappear overnight—and new tax boondoggles for their wealthy friends, President Bush and his allies in Congress chose their wealthy friends.

Only now, 6 weeks before the election, when voters have figured out this Republican scam, do we see the President and the leaders of his party scurrying to extend the middle class tax cuts beyond the end of this year. Hard pressed working families deserve to be the first people whose needs are addressed, not the last.

There is a fundamental difference between the way Democrats and Republicans view tax fairness. Democrats believe in providing tax relief from the

bottom up, and Republicans dispense tax breaks from the top down. The record of President Bush and Congressional Republicans shows their indifference to the needs of struggling middle class families. For them, middle class tax relief is nothing more than an election year afterthought.

Even now, as Congress prepares to extend the \$1,000 child credit beyond this year, the Republicans are once more refusing to help those families most in need of relief. Many families struggling to survive on the income from a minimum wage job will not get the benefit of the larger child credit. In fact, some may be denied any child credit at all.

The earnings threshold for the child tax credit is indexed to inflation. Each year, the amount of income a family needs to qualify for the credit goes up. Unfortunately, we all know that the wages of low income workers have not been going up, not keeping pace with the cost of living. Even though minimum wage workers have not received an increase for 7 years, the Republican leadership has repeatedly refused to consider legislation giving them a raise. A full-time, year-round minimum wage worker makes about \$10,700 annually. By next year, that will not be enough to qualify for the child tax credit.

What could be more unfair? Congress increases the child tax credit to help working families, but denies the credit to those low-income working families who need help the most.

It is truly outrageous! If Congress does not correct this injustice, more than four million families with nine million children will see their child credit shrink or disappear entirely next year. These are families that are already struggling to survive. How would you survive as a single parent trying to raise two kids on \$10,700 a year?

Congress could easily correct this arbitrary cut-off. All we need to do is maintain the threshold at \$10,000 rather than automatically increasing it every year. However, when Senator Lincoln offered an amendment to make that simple fix, all but one of the Republican conferees voted no—killing her amendment. And President Bush, by his silence, is an accomplice to this outrage. Nine million children in low-income families get left behind—again.

Once more, this Republican Congress has turned a deaf ear to those most in need. First, they refuse to increase the minimum wage for working families. Then, they cut overtime pay for millions of workers. And now, they deny those families the benefit of the child tax credit because their wages have not kept pace with the cost-of-living.

The American people are a fair and compassionate people. They will be as outraged as I am when they learn of this injustice. They will have an opportunity to voice their outrage in just 6 weeks.

Mr. LEVIN. Mr. President, I will vote for this conference report because in

this sluggish economy, average American families need all the help they can get. Just a few weeks ago the Census Bureau released new national figures showing that for the third year in a row poverty has risen and incomes have fallen. In fact, the typical family has seen its income fall by more than \$1,500. Employer-sponsored health insurance coverage has continued its decline and there are a whopping 45 million Americans who are uninsured. Extending these tax cuts that are aimed at helping families by expanding the child tax credit and the 10 percent income tax bracket in addition to marriage penalty and AMT relief is an important part of any economic plan.

I would have much preferred to vote for a conference report that paid for the extension of these cuts. They could and should have been paid for. Continuing to deepen our extraordinary deficit ditch will ultimately hurt the very same lower and middle class families that this legislation aims to help.

Earlier this year I supported, and the Senate passed, PAYGO, which would have required that in addition to paying for all spending, we would have to pay for all tax cuts as well. This concept is common sense for most families, who work to live within their means by balancing what goes out with what comes in. Unfortunately, PAYGO was rejected by the House Republican leadership, so we do not have to offset the cost of these or any tax cuts. Now that these cuts are going to be extended through 2010, I hope there will be a renewed support for PAYGO.

But PAYGO or not, there was no good reason for those who put together this conference report not to offset these tax cuts. The estimated 10-year cost of these extensions is \$146 billion. There are a number of possible offsets available. In May the Senate passed the FSC/ETI bill with \$170 billion worth of them. Numerous times now the Senate has passed legislation that raises revenue by curbing tax abuses. Unfortunately, each time the House Republican leadership has blocked these provisions, so they have not yet become law. There is no good reason to let tax dodgers continue to abuse the system while our deficit skyrockets. If the drafters of this conference report could not find acceptable ways to pay for a lengthy extension, then the extension should have been shorter. It is too bad that the pay-for proposals Senator BAUCUS made in the conference committee were defeated.

As Alan Greenspan has said, "You should not be borrowing for your tax cuts." I am concerned that over the long term, many middle-class families will end up worse off from the fiscally irresponsible tax cuts this Congress has enacted since 2001. That is because paying for the debt we are racking up will eventually require either massive tax increases or program cuts, or likely both. We all know that our fiscal outlook is grim. The Federal Government is expected to borrow about one of

every five dollars it spends this year. CBO projects the deficit this year will be \$422 billion. Most analysts agree the budget picture will worsen considerably within the coming decade, as the huge baby-boom generation will begin relying increasingly on Social Security and Medicare, driving those programs' costs upward.

In addition to raising the likelihood of cuts in important domestic programs, a bigger deficit makes it more likely we will face rising long-term interest rates. That would mean it will be more expensive to buy a house, pay for college or pay off credit card debt. As Senators CONRAD and DODD said on the floor yesterday, our enormous and growing debt means average consumers could see interest rate hikes that will dwarf any tax cut they may get. Especially when so many Americans have variable-rate mortgages, car loans and other debts, the rising interest rates that are predicted to accompany swelling deficits will have a very real and immediate impact on many American families. That's not what Americans need.

I also want to express my disappointment that the conferees rejected Senator LINCOLN's worthy amendments to prevent the refundable child tax credit floor of \$10,000 from being indexed to \$11,000. This means a full-time minimum wage earning parent will receive no benefit from the tax credit because her income of \$10,300 falls short of the \$11,000 floor. If the purpose of this bill is truly to help those in the lower and middle income ranges, this should have been one of the first items to be included. It would have helped 9.2 million children in 4.3 million families gain an increased portion of the credit.

This conference report also plays games with the timing of one of its most important pieces. Under a glitch in current law, many men and women in our armed services are denied their earned income tax credit and child tax credit because combat pay is excluded from the definition of earned income for the purpose of calculating these tax provisions. This conference report fixes the glitch with respect to the child tax credit, but only fixes the EITC glitch for two years. So in 2006, taxes will be raised on thousands of the men and women in our military who put their lives on the line for our nation.

I think it is of the utmost importance that our service members are adequately compensated for their duties, and that we offer them a quality of life that will enable them to continue to serve and to live comfortably. Service families deserve a quality of life comparable to that of their civilian counterparts. Quality of life for our service members is particularly important now when the extensive commitments of our military forces are pushing our military families to the limit.

Yet as this legislation extends tax breaks for millions of American families through 2010, it takes away tax benefits during that same time for

service members and their families who have the lowest levels of income. There is no reason why a reservist who would otherwise get the full EITC should be forced to lose part of it if he or she is called up and sent into a combat zone. But that is what this legislation will do.

Making this provision permanent would have been a very small part of the cost of this \$146 billion bill. I understand it is approximately \$30 million over 10 years. Yet it was not done that way, despite the direct effect on those service members who we have sent to the most dangerous corners of the world Iraq and Afghanistan for example. These brave soldiers do not deserve to have their tax benefits taken away. But that is exactly what today's conference report does.

I wish this conference report didn't create this problem, but I am hopeful that with the leadership of Senators PRYOR and LINCOLN, who have put lots of hard work into this issue already, we can soon fix this timing issue and end the glitch permanently. It is the least we can do for those who put their lives on the line for our country.

Ms. SNOWE. Mr. President, I rise today regarding the tax bill before the Senate that would extend certain tax provisions set to expire this year.

Let me say that I support the policy underlying the tax measures contained in this conference report. What I find regrettable, however, is that we are even at this juncture where we are faced essentially with a choice between these tax reductions and fiscal responsibility—when, in fact, we could have achieved both.

Instead, we have before us a tax package that will directly add \$146 billion to the Federal deficit. Why? Because the 2003 tax package sunset after one year rightfully popular measures of benefit to middle-class and lower income Americans—that also provided short term economic stimulus—this year, in order to pay for other tax reductions over 5 years that are not geared toward short-term stimulus. As a result, here we are, about to enact 5 years of \$146 billion in tax reductions over and above the \$350 billion we passed last year—when we could have provided for 5 years of these same, worthy tax cut measures with last year's \$350 billion package.

I supported the \$1.35 trillion, 10-year tax relief plan of 2001 because, at that time, the tax burden was the highest it had been since World War II—and also to provide an “insurance policy,” to paraphrase Chairman Greenspan, against a more prolonged economic recession that we now know began six months before President Bush took office.

Then, in 2003, an effort was made to accelerate some of the tax relief from the 2001 bill—specifically, lower marginal tax rates, marriage penalty relief, and the \$1,000 child tax credit. Indeed, over a year ago, Senator LINCOLN and I—along with others on the Senate

Finance Committee—worked to correct a glaring flaw in the 2003 tax bill.

Specifically, while the 2003 tax bill accelerated the phase-in of lower marginal rates, the \$1,000 child tax credit and other provisions, it did not accelerate a scheduled increase in the percentage amount of the child tax credit that is refundable for lower-income workers. The motivating force behind the vehicle before us was to accelerate an increase in the portion of the child tax credit for lower-income families that were left behind in the final 2003 tax bill.

I would very much have preferred to have been able to vote to have those accelerations in place without a sunset in last year's tax package conference report. And, again, I would very much like to vote this year to extend these three tax cuts as prescribed by this conference report.

Indeed, last year during Finance Committee markup of the bill, I developed a means by which we could pass these tax cut accelerations through 2010 while limiting the total impact to the amount agreed to in the budget resolution. Regrettably, however, while we were successful last year in the Finance Committee in passing these three tax reductions as part of the \$350 billion package I supported in committee, the responsible path was ultimately not taken in the conference report.

Unfortunately, the final 2003 tax bill scaled back the tax relief for working families by imposing a sunset on the most popular tax cuts, forcing them to expire at the end of this year. Moreover, the 1-year sunset of these incentives was done solely to allow for a larger tax cut on dividend income within the \$350 billion cost of the package. I said at the time that the action Congress inevitably will take on the popular tax cuts after that year elapses will result in a true cost of the 2003 tax bill far in excess of \$350 billion and closer to an estimated trillion dollars. Today, Congress is in fact about to increase that cost to \$496 billion.

It could have been otherwise—and indeed, I have offered several alternatives this year. In July, I joined a bipartisan group of Senators in putting forward a plan to extend these middle-class tax provisions with no net cost to the Government. The revenue offsets that we put forward are ones that both the Senate and the House have passed previously. Regrettably, that approach has been rejected in favor of the view that any provision that increases revenues, even if it improves the efficiency of the Tax Code, cannot be acceptable.

Fiscal responsibility and reducing taxes do not have to be mutually exclusive goals. Yet, unfortunately, what is before us today is a \$146 billion bill—none of which is paid for. Again, I support these tax provisions, but I cannot vote for a proposal that rejects the available, responsible alternatives.

I yield the floor.

Ms. MIKULSKI. Mr. President, I rise today in support of the Working Families Tax Relief Act of 2004.

Working families deserve tax relief because the middle class is being squeezed from all directions. Our middle-class families are stressed and stretched. Families in my State of Maryland are worried. They are worried about their jobs. They are terrified of losing their healthcare, as health care costs keep ballooning. Many are holding down more than one job to make ends meet. They are racing from carpools to work and back again. And they want to know what we in the Senate are doing to help them.

That is why I support a family friendly tax code. A tax code that helps families send their children to college. A tax code that helps families to care for their loved ones and helps small businesses provide health care for their employees. That is what I am going to keep standing up for in the U.S. Senate.

The criteria I use for evaluating tax cuts is simple. Tax cuts should be targeted, temporary, and do not add to the deficit.

This bill meets some of my criteria. It is targeted to the middle-class and that is why I will vote for it. It is temporary. This bill gives the middle-class immediate help, but only extends the middle-class tax cuts through 2010. I hope that when we come back to these tax cuts, we find a way to pay for them.

This bill would provide much needed tax relief to working American families caught in the middle-class squeeze. There are three provisions to this bill that will most help alleviate the stress and strain on the middle class.

This bill would extend the \$1,000 per child tax credit for 5 years. If the child tax credit is not extended, families will only receive a credit of \$700 per child in 2005, and the credit would not reach \$1,000 again until 2010.

Next, this bill would extend the marriage penalty relief passed in 2003 by making the standard deduction for married couples double the amount for individuals. That just makes sense. This bill also expands the 10 percent and 15 percent tax brackets, so that married couples can make more money and not be penalized with higher taxes. Unless the marriage penalty relief is extended, married couples could see their tax bill rise by as much as \$1,165 in 2005. When so many Americans are feeling stretched and stressed, I think that is wrong.

Lastly, this bill would extend the expanded 10 percent bracket which provides tax relief to millions of taxpayers. The 10 percent tax bracket was increased temporarily to give people a short term economic stimulus, but, if the middle class tax cuts are not extended, taxes for many will increase taxes by \$50 per year for singles, and \$100 for couples.

But this bill also has major problems. This bill fails our military families by raising taxes in 2006 on active duty

military, reservists, and National Guardsmen who have been deployed in combat. This bill provides tax cuts for middle class families for the next 5 years and I support that. But this bill only provides 2 years of tax relief for our lowest paid combat military personnel. Just as the War on Terror is ongoing, so must our support be for our troops. This bill only fixes this problem for two years. I support fixing this problem permanently. That is why I will work with my colleagues on a bill to fix this problem.

This bill also fails one of my criteria for tax cuts. This bill would add nearly \$150 billion to the deficit. We can have strong economic growth, low inflation, and low unemployment, but we must do so in a fiscally responsible way. I hope that next time we consider tax provisions to help our working families we get it right and find a way to pay for them.

I will vote for this bill, but I do so with warning lights. I am concerned about the effect deficits will have on our ability to meet the promises of Social Security and Medicare. I am concerned about its impact on military families.

The job of Congress is not only to provide tax relief for working families, but also to make sure that we pay for those tax cuts. Through fiscal responsibility, Congress can take care of working families today and in the future when they retire.

Mr. HATCH. Mr. President, I rise to express my support for the conference report now before the Senate, which will save millions of American taxpayers from suffering a tax increase on New Years Day 2005.

I want to congratulate Chairman GRASSLEY, who chaired this conference, as well as the other Senate and House conferees, for their perseverance in finishing this tax bill, which has presented challenges.

The individual tax cuts Congress passed in 2001 and 2003 have been instrumental in the turnaround of our economy from stagnation to healthy growth. For various reasons, when passing these bills we were not able to make the provisions of those tax cuts permanent, and some key elements of them are scheduled to expire on the last day of this year. The conference report before us extends three of these provisions for 5 years: the marriage penalty relief in the standard deduction and in the 15 percent bracket; the new 10 percent bracket; and the \$1,000 per child tax credit. In addition, the legislation extends the higher thresholds for the individual alternative minimum tax for another year.

This last provision is very important to an increasing number of families in my home State of Utah, who are unfairly being thrown into the AMT regime simply because they have large families. And while this provision does not permanently fix the AMT problem, it does give temporary relief for millions of Americans who would other-

wise be joining the unlucky ranks of alternative minimum tax filers.

While I would prefer to see these provisions, along with all the other parts of the 2001 and 2003 tax cuts made permanent, a five-year extension is a very good step. The provisions being extended by this legislation will now be set to expire at the same time the remainder of the tax cuts run out, December 31, 2010. Thus, they can hopefully all be made permanent at the same time, which would ideally be well before that time.

I am particularly pleased to see that the conferees decided to include in the conference report the extension of a set of very important expiring business tax provisions, along with the individual ones. These include the research credit, of which I have long been an advocate. This tax credit expired on this past June 30.

As I think most of my colleagues will agree, tax provisions that are temporary add confusion, complexity, and uncertainty to our tax system. These problems are made worse when worthy provisions, such as the research credit, are allowed to expire and are then later reinstated. A permanent research credit would have been greatly preferred to our bad habit of routinely allowing vitally important tax provisions to expire and then reinstating them, sometimes months after their expiration. Such actions are often done in the name of revenue savings to the Treasury, but this is a false argument. A series of shorter-term extensions of these provisions costs no more than does a permanent extension. What this practice does, however, is contribute to the lack of confidence that taxpayers feel in our tax system, so it is a corrosive thing to do.

Moreover, I am disappointed that the legislation before us does not include the Senate language that expands the research credit. The Senate version of the research credit was based on a bill authored by the Senator from Montana, Mr. BAUCUS, and this senator, which would have dealt with a very serious shortcoming with the current research credit. Essentially, this shortcoming prevents thousands of research-intensive firms, many in my home State of Utah, from being able to take full advantage of the incentive the research credit is supposed to provide.

Nevertheless, it is a very positive thing to have this conference report include the extension of the research credit and several other provisions that are important to American businesses and their employees and customers. This includes the work opportunity tax credit and the welfare to work credit, both of which make a difference in hiring disadvantaged workers.

I am also very pleased to see the inclusion of provisions to help military families. These brave men and women and their families who are sacrificing so much deserve to have tax provisions that at least do not penalize them for their service.

This conference report deserves the support of all of our colleagues. Is it the best tax bill we could pass? Of course not. But, given the difficulties of passing any legislation this late in the congressional session in an election year, it is quite an achievement. I again congratulate the conferees for their hard work, and I especially commend the chairman and ranking Democrat on the Finance Committee for their leadership.

Mr. BYRD. Mr. President, Plato began "Book Three" of *The Republic* by posing the following question: Have we come here looking for genuine discourse or fool's gold?

It is hard to believe Senators are here today looking for genuine discourse.

The legislation before the Senate was packaged into a conference report to prevent Senators from offering amendments, even though the Senate never considered legislation to extend these tax cuts. The Senate Finance Committee never reported legislation to extend these tax cuts. This legislation has been rushed to the Senate floor, prohibiting any kind of meaningful debate.

I don't deny the allure of tax cuts. A \$1,000 child credit for a family of four can provide some benefit for families. Likewise, the elimination of marriage tax penalties can serve a valuable social purpose. I have cosponsored legislation both to eliminate marriage penalties and to expand the child credit.

But to promise tax cuts to a worker whose job has been lost overseas, to promise tax cuts to a family that is without health insurance, to promise tax cuts to retirees whose pensions have been lost, and to pretend that a tax cut will address the plight of these working Americans, is to promise fool's gold.

The Bush administration has exhausted trillions of dollars on a failed fiscal policy that advocates tax cuts for wealthy above everything else—tax cuts before jobs, tax cuts before health care, tax cuts before pensions, tax cuts before securing out homeland, tax cuts before the needs of working American families.

American workers continue to wait for the return of the 3 million jobs lost during the Bush presidency. Unemployed workers whose jobs have been lost overseas are forced to accept low-wage positions without benefits.

Today, 45 million Americans lack health insurance. Health care costs have spiraled to prohibitive levels, and those lacking insurance are forced to do without adequate medical care. Even those with insurance are seeing their health care costs increase as employers shift the burden of higher insurance premiums to their employees.

Today, workers and retirees counting on the pension benefits promised by their employer must watch helplessly as those promised benefits are cut.

These are real issues, and, while a tax cut may put some extra money in

taxpayers' pockets, it won't replace a job lost overseas, it won't replace the loss of health insurance, it won't make America safer, and it won't protect against the loss of a pension.

Nevertheless, I recognize that, while doing little to address these underlying economic concerns, it will, at least, provide some relief to working American families. Further, it will preserve scarce resources for working families and prevent those resources from being siphoned away to finance tax cuts for the wealthiest Americans.

I will vote for this legislation, but I caution workers not to be fooled by the rhetoric that will accompany its passage.

This administration, this Congress is no friend of the working man.

Whatever dollars you receive from these tax cuts, they will not offset the wages that this administration has taken from you by denying you overtime pay, by blocking an increase in the minimum wage, and by refusing unemployment benefits for jobless workers.

The Bush administration's fiscal policies have squandered the limited opportunities available to help American families find work, to provide American families with health care, to protect the pensions of retirees.

This legislation is throwing a bone to the middle-class after 3 years of tax cuts for the wealthiest Americans. It is something, but it is far, far less than what is needed and suggests only the callous indifference of this President and this Congress to the needs of working American families.

Mr. DODD. Mr. President, I rise today to talk about the extension of the middle-class tax cuts that the Senate will pass shortly.

While the conference report to accompany H.R. 1308, the Working Families Tax Relief Act of 2004, is not perfect, I do plan to support this initiative because I feel strongly that we should provide tax relief to working families.

These are families that work hard and play by the rules. Over the past 3½ years, they are also families who, as a group, have suffered the most from the economic slowdown. In general, they are working harder, earning less, and paying more for the necessities of life. The least we can do for these families is provide them with some measure of tax relief to make their financial burden a bit lighter. Tax bills enacted in the previous 3½ years primarily benefitted the very most affluent. The conference agreement we consider today benefits those who truly need tax relief.

This conference report extends four important middle-class tax cuts that are set to expire at the end of this year. These are: first, the \$1,000 child tax credit, which has been scheduled to fall to \$700 next year; second, the current 10-percent income tax bracket; third, a set of tax measures to offset the marriage penalty; and fourth relief from the alternative minimum tax,

which without action, would unfairly force more middle income families into paying higher taxes totaling \$23 billion over the next 10 years.

The conference report also provides assistance to military families in combat zones by increasing the Earned Income Tax Credit, EITC, and the child credit for military families in 2004 and 2005 by giving them the option to include combat pay in their calculations. This provides an additional \$199 million of assistance to military families in combat zones since under current law many soldiers are denied their rightful EITC and child credit because combat pay is excluded. While this is just a two-year fix, I look forward to working with my colleagues to ensure that Congress take action to permanently fix this glitch in the law.

I was pleased that the conference report also includes several provisions that are vital to education, environmental protection, and job growth. These include the teacher expense deduction, which allows teachers to deduct up to \$250 annually for their classroom expenses; expensing of Brownfields environmental remediation costs; tax credits for electricity produced from certain renewable resources; and the extension of the research and development tax credit, which has done much to create jobs and enhance our Nation's competitiveness.

However, while I will support this conference report, it is at best incomplete legislation for two reasons. First, because it fails to pay for the more than \$145 billion in tax cuts that it contains.

I am very concerned with the shocking deterioration in fiscal discipline by the administration and congressional leadership. When President Bush took office in January 2001, the Congressional Budget Office projected a Federal budget surplus of \$5.6 trillion by 2011. Today, that projected record surplus has turned into a record deficit that is expected to total \$4.4 trillion over the next 10 years.

Regrettably, efforts to make this package a more fiscally responsible one has been blocked and rebuffed by the leaders of this Congress, including the efforts by members of the leadership's own party. Just 2 months ago, several Members from both sides of the aisle proposed a package which would have ensured that not a penny would have been added to the deficit. But the proposal was rejected by the administration and Republican congressional leadership.

According to an address this week by Rodrigo de Rato, the President of the International Monetary Fund, budget and trade deficits in the United States are a large and growing threat. He stated, "We believe that such a large imbalance is a risk not only to the United States economy, but to the world economy."

We know only too well from past instances that if deficits are left un-

checked, they will exert an enormous upward pressure on interest rates and in so doing will increase the cost of homes, cars, higher education, and establishing and running a small business. These increased costs have the potential to dwarf any relief provided by a bill such as the one now before the Senate.

I also find it lamentable that the Senate was not provided with an opportunity to consider this legislation in its entirety since what has been brought before us is a conference report most of whose provisions were never brought before the Senate for full consideration. Had it been fully debated in the Senate under normal procedures, Senators might have been able to make this legislation more fiscally responsible. But because of the procedural tactics of Republican Congressional leadership, Senators never had a chance to do that.

The second reason why this legislation is at best incomplete is that it fails to lower the income threshold for the refundable child tax credit. By not including this important provision, 4.3 million hard-working families will see the value of their child tax credit significantly diminished. That is unfair to those men and women working to lift themselves up economically and provide a decent life for their children.

And so while I am going to support this legislation, I would like to make it very clear to this body that I do not think that our efforts to help working families are adequately discharged by this legislation.

There is much work to be done to give poor and working people meaningful opportunity to achieve secure lives for themselves and their children now and for generations to come.

I yield the floor.

Mr. FRIST. Mr. President, in 1969, Congress passed the alternative minimum tax. It had come to light that a small group of wealthy individuals were using exemptions in the tax code to evade paying any taxes at all. Congress passed the minimum tax law so that high income earners would be obligated to pay a minimum amount in taxes no matter what.

That was then.

Today, the minimum tax has grown to penalize middle class families and small business owners. There are a number of reasons. One is that the alternative tax brackets have never been indexed to inflation. We all know that a dollar in 1969 went a lot further than it does today. But the minimum tax doesn't take this into account. And today's middle class families are getting hit with higher tax bills.

Consider if you are married, filing a joint return, and your family makes more than \$58,000 a year, you may be liable under the alternative minimum tax to owe additional Federal income tax.

If you are a single mother who makes \$35,000 a year and gets a little over \$5,000 in alimony payments, you could owe more taxes.

Standard deductions that the Congress has passed to help support families, encourage homeownership, allow for taxable State and local refunds, can actually force middle class families to pay more in Federal taxes.

The national taxpayer advocate, the person responsible inside the IRS to look after the taxpayer's interests, says the alternative minimum tax is the number one problem facing American taxpayers. A law that was only supposed to apply to 155 super wealthy taxpayers in 1969 will hit more than 30 million taxpayers by 2010.

Clearly that is not what Congress intended. And clearly it is not fair. Middle class families should not be punished by a law that was never intended for folks at their actual income level.

That is why we must take a serious look at repealing the minimum tax law for individuals. Some people call the AMT the Government's ATM. It collects billions of dollars for the Government coffers. And some people do not want to let that money go. But that money is the taxpayer's money. Rather than resist reform, we should look at the overall tax code and consider options for fundamental tax reform.

In 1986, under President Reagan's leadership, we dramatically simplified the tax code. Ever since then, and especially in the 1990s, we have layered the tax code with all sorts of special exclusions that have very little to do with making taxes fairer, simpler and more equitable. Ask any family trying to fill out their tax forms each year: we have reached a point where the code is becoming complicated than it was in 1985.

I urge my colleagues to look at this issue closely. It's a matter of fairness, and for millions of American families, a matter of money, money that could be sued to ease the grocery bill, buy a new washing machine, or take the family on a weekend road trip.

While I am talking about tax reform, I had like to highlight some of the tax reforms we are working on right now. We are extending a number of crucial family tax breaks which expired at the end of last year. For example, we are working to extend the welfare-to-work credit, the work opportunity tax credit and many other important expired measures.

These provisions have already passed the house and the Senate as a part of the FSC/ETI JOBS bill.

By moving this package of extenders, which include middle class tax relief, we will facilitate a speedy conclusion to the JOBS bill which is critical to growing jobs in the manufacturing sector.

Reforming the minimum tax, extending child tax credits, all of these initiatives are to help hard working Americans meet their needs and obligations.

Thanks to the President's 2001 and 2003 tax relief, 14 million low income families will receive tax refunds under the refundable child credit in 2004, compared to only 1.6 million had the President's tax relief not been enacted.

Combined with the earned income tax credit, 24 million low-income families will receive direct assistance this year through the tax code.

The legislation before the House and Senate will benefit 6.8 million low-income families by increasing their tax refunds in 2004.

For example, a single mother in Tennessee with two children who earns \$20,000 would get a refund of \$1,388 in this year, \$463 more than under current law, and \$1,388 more than pre-2001 law.

This refund is entirely due to tax relief signed into law by the President since 2001, and is in addition to the \$3,025 refund she gets under the EITC. Her total refund in 2004 will be \$4,413.

As I have said, and many of my colleagues have said time and again, our job is to put more money back into the budgets of America's families. They know better than the Government how to spend their hard-earned dollars.

Mr. BAUCUS. Mr. President, I yield 2 minutes to the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota is recognized for 2 minutes.

Mr. DAYTON. Mr. President, I am delighted to rise in support of the tax bill which I believe will pass on an overwhelmingly bipartisan basis. I commend the chairman of the Finance Committee and the ranking member for a bill that I will be proud to vote for and one that I, frankly, wish had passed in 2001, 2002, and 2003—the kind of bill that I voted for back then as a substitute amendment that didn't pass. This bill is truly targeted toward middle-income taxpayers, largely and predominantly so.

As my colleague from Arkansas pointed out, there are some provisions that I wish were included, and I am sure others as well.

But overall, this is a very good, targeted middle-income tax cut bill that will put money into the pockets of working families, working single individuals. It ought to be our policy in the future to keep our tax measures targeted toward those who pay the bills and those who are in greatest need of earned-income tax relief.

I point out if we had kept the focus on this kind of tax relief in the past, we wouldn't have the kind of deficits we face today. We wouldn't be passing on the new bills to our children and grandchildren who are going to have to face up to it eventually.

But I support those who have said tonight that regardless of that situation, this is much needed and it will be well used and, hopefully, we will continue the recovery from the serious recession that we suffered over the last few years.

I am a little leery of those who say these tax measures are the cure-all for what has occurred because they continually refer back to points in time that are rather selective. If we go back to the beginning of the Bush administration, we are looking at a serious jobs

deficit. We are still suffering a loss of over 3 million manufacturing jobs since that time.

I wish these tax measures and those that preceded them were the cures for the economic ills. I fear they are not in isolation.

I commend the architects of this measure, and I urge my colleagues to join with me in supporting and passing it tonight.

Mr. GRASSLEY. Mr. President, I yield myself such time as I might consume. I will take a few minutes in closing this debate to thank some folks who made this tax relief possible.

First of all, as I said in my opening remarks, President Bush made middle-income tax relief a priority. He pursued this package with focus, with determination, and with good humor.

The bottom line is, we wouldn't be here today without the leadership of our President.

Next, I would like to thank our majority leader, Senator FRIST. Like the President, Leader FRIST made this bill a priority. His patience and dedication in backing me as we moved through the conference process was very important.

Then I would like to thank for the second time, and not too many times can I do that because not enough times make up for the cooperation I have received, my friend and colleague, Senator BAUCUS, the ranking member on the Democratic side in the Finance Committee. We didn't agree on all points, as he stated, but we agreed on most of the substance of the bill and the direction of the policy. Senator BAUCUS and other conferees, including Senators LOTT, NICKLES, and LINCOLN—each of the conferees brought strong views to the process. Sometimes those views differed sharply.

For instance, as you have seen in tonight's debate, Senator LINCOLN and Senator NICKLES also do not agree on refundable tax credits. Both of them made principled reasons for their views. They are passionate.

The conference agreement reflects a fair balance of those sharply divided positions.

This bill would not have come to the floor without the work of staff. I thank them very much. I would like to thank Senate Finance Republican staff, Kolan Davis, staff director; Mark Prater, chief tax counsel; Ed McClennan; Elizabeth Paris Dean Zerbe, whom we also refer to around here on the floor as "the white tornado." We also thank Christy Mistr. She happens to be a brandnew mom. She came back early to help us get this bill worked out. We thank also John O'Neill, a new addition to our staff; Adam Freed, graduate of the fine school known as the University of Northern Iowa where I graduated; also, our press team of Jill Kozeny and Jim Gerber. They helped our committee get the word out.

Then, on the Senate Democratic staff, obviously, very good staff, very professional: Russ Sullivan, staff director; Bill Dauster; Patrick Heck; Melissa Mueller; Matt Jones; Anita Horn

Rizek; Jon Selib; Judy Miller; Matt Grenasci; Matt Stokes; and Ryan Abraham; Senate legislative counsel: Jim Fransen, Mark Mathiesen, and Mark McMonagle.

And then we have on the Joint Tax Committee: George Yin, Tom Barthold, and their entire crew.

And then we have the GOP leadership staff: Lee Rawls, Eric Ueland, and Rohit Kumar all helping.

With Senator LINCOLN's staff, Mac Campbell; Senator NICKLES' staff: Rachel Jones, and Hazen Marshall.

Mr. President, I would like to sum up what this bill is all about.

As the bill title says, it is about America's families. It is about providing tax relief to hard-working men and women in America. When I think about it, I consider the families on the farms back home. In the fields of Iowa, folks are starting the harvest. In the factories of Davenport, IA, and in the offices in Des Moines, great insurance companies, people are working hard to raise their kids, and this bill will help them.

Let me take some time here to correct what have been very troubling statements about the Working Families Tax Relief Act and its benefits for low-income working families.

Let's be clear—this bill provides enormous benefits to working families and especially to low-income families.

Let me remind my colleagues of where we have been on this bill. The Senate passed legislation in 2003 that called for accelerating the refundability of the child credit from 10 percent to 15 percent, providing for a uniform definition of a child, and including combat pay for purposes of calculating the child tax credit. That was what the Senate passed in 2003. At the same time, the other body passed legislation that also accelerated the refundability but the other body did not include the uniform definition of a child and did not include the combat pay provisions as it relates to the child tax credit.

We then went to conference and thanks to President Bush's leadership we have been successful in reaching an agreement.

What does our conference bill do in regards to the Senate-passed legislation affecting low-income families? The conference report agrees with every single one of them. Let me repeat that, the conference report accepted every single provision in the Senate-passed bill that was directed to helping low-income families.

The conference made the uniform definition of a child permanent. This is an extremely important simplification effort that creates a uniform definition of a child for the dependency exemption, child credit, the Earned Income Credit, the dependent care credit, and head-of-household filing status. This long-overdue simplification makes many more taxpayers—especially low-income taxpayers—eligible for a child-related benefit. This is at a cost of over

\$1.5 billion over 10 years and is the only substantive tax provision in this bill that is made permanent.

The conference agreed to accelerate refundability and also the combat pay provisions in the Senate-passed legislation. These two provisions provide over \$2 billion in benefits.

So again, as people wring their hands, let's remember that the conference agreed to every single tax provision in the Senate-passed bill targeted for low-income families. In fact, there was only one provision in the Senate bill that was targeted to help families making over \$100,000—the elimination of the marriage penalty of the child credit. What happened that provision? It was dropped in conference.

But the conference did not stop with just accepting all the Senate provisions that help low-income families. The conference added to the provisions that will help low-income families.

First, the conference provided expanded benefits for our men and women in uniform receiving combat pay. They will now also be able to get expanded benefits under the earned income credit. While combat pay is excluded for income purposes, our soldiers, sailors and airmen can elect to include combat pay if it will assist them in getting an increase in the earned income credit.

This is a new provision that helps low-income military families. It was not included in the Senate proposal. This, combined with other provisions in the bill means that targeted relief for low-income military families receiving combat pay is increased in this conference report by nearly six times over what was provided in the Senate proposal. Let me repeat that, the conference report provides almost six times greater targeted relief for military families receiving combat pay than was included in the Senate proposal.

Turning to the other items that assist low-income families: Second, the conference increases the child credit to \$1,000 and extends it through 2010. This will benefit low and middle-income families.

Third, we extend the lowest tax bracket, the 10 percent tax bracket, which at its core benefits low-income families.

Fourth, we extend marriage penalty relief which helps low-income taxpayers along with all taxpayers.

There is over \$23 billion in outlays contained in this bill—that reflects primarily the extension of the child credit, the lowering of the rates and refundability portions. Thus, of a \$145 billion tax cut, over \$23 billion of it is targeted to low-income families who have little to no federal income tax liability.

So let's put this to rest. The conference report is better than what the Senate proposed for low-income families and better than what the Senate proposed to help military families.

Now, let me turn to another chestnut that has been put out. That chestnut is

that the tax laws will harm 4 million low-income families. This is a bait and switch focusing on one issue and ignores the overall tax code and all the tax legislation contained in this bill.

The threshold for the refundable child tax credit—included in the 2001 bill—is that for those who do not pay taxes should still benefit from the child tax credit beginning at \$10,000 in income—and that was indexed for inflation. This was agreed to by the supporters of this provision in 2001 and eliminating the index was not included in the Senate proposal last year.

Unfortunately we are now hearing from those who don't want to be reminded of these facts.

I am saddened by those who want to muddy all the tremendous work we have accomplished for working families in this bill. To argue that we are raising taxes on those making less than \$11,000 or less is completely and utterly wrong. First, it is current law that requires indexing, there is nothing in this bill that requires indexing. Second, these are families who do not have a federal income tax liability. They pay no taxes. So it is wrong to say that they are having an increase in taxes.

Third, the naysayers completely ignore the benefits being provided in this bill when they pull numbers from thin air. For example, the indexing of the \$10,000 next year provided in the 2001 bill will mean that a family making \$18,000 with a child will lose approximately \$40 in child credit benefits, but that same family—because of this bill—will see their child credit benefit increase by \$300 because of the accelerated refundability and making the child credit \$1000.

The naysayers want to just pick and choose the provisions and not look at the whole package. When you look at the overall package the vast majority of the families they talk about being harmed by the 2001 agreement to index the refundable credit will actually be benefiting from the overall package.

And finally for those families—far, far fewer than the number of 4 million thrown around—that may see no child credit because of indexing, we must bear in mind the EIC benefits that are also indexed. Indexing of the refundable child tax credit must be understood in conjunction with the EIC benefit, and cannot be looked at in a vacuum.

For example, in 2001 a single parent making \$10,500 and with two children had no federal income tax liability and received the maximum earned income credit of \$4008. In 2003, that same parent, still making \$10,500, will now receive a nearly \$200 increase in her earned income credit and receive a check for \$4,204.

It is accurate that because of indexing the family will not receive the \$50 previously provided under the refundable child credit, but it is important to understand it in the context of the overall benefits provided in the tax code.

I recognize that for a low-income family even \$50 is important and that is why in conference I supported an amendment to end indexing inflation of the refundable portion. But I encourage Senators to keep their feet on the ground when discussing this and instead reflect on the enormous benefits this bill provides to low-income families who do not have a federal income tax liability—nearly \$24 billion—and to also keep in mind the other very beneficial provisions that are in the tax code already that assist low income families.

We have done very right by low-income families and especially military families in this bill and in the overall tax code.

I know as Senators and the American people examine this matter closely they will see the enormous good that is in this bill and not be swayed by the naysayers.

This bill will provide great benefit to low-income families and military families and that is a credit to President Bush and Senators on both sides of the aisle, and it is why we will see this legislation receive overwhelmingly support in the Senate.

Just to be clear, what we are talking about here is not whether to provide a certain EIC benefit but whether or not to review administration of that tax benefit in two years as we do with other expiring tax provisions. There are several administrative reasons why that may be appropriate in this circumstance.

In general, changes to the earned income credit should be studied carefully in light of the current error rate in the program's administration which exceeds 30 percent and results in nearly \$10 billion of erroneous payments annually. Many are working to reform these problems and we don't want to work against their efforts.

With respect to the combat zone proposal itself, the IRS has indicated that the proposal—which allows taxpayers to elect into the provision—will increase complexity of the EIC and make administration of the provision harder.

For these reasons, we should review the effectiveness of the provision in two years and make any necessary adjustments to the provision at that time.

In addition, the preponderance of the bill benefits working families including military families.

With the exception of a clean extension of expiring tax provisions and certain technical corrections, this bill focuses 100 percent on providing tax relief to working families including those serving in the military.

In particular, the bill ensures that parents serving in the military receive an income tax credit of \$1,000 per child each year. For military families at the lowest levels of income, the refundability provisions of the child tax credit have also been enhanced beginning in 2004.

This legislation further provides that military wages earned by parents in a

combat zone will be treated as earned income for purposes of the child credit. This ensures that families whose only income consists of combat zone wages will be eligible for the refundable child credit.

One very important provision of the bill may provide economic and mental relief to working families. For the most part, we have provided a single definition of a "child" for tax purposes. For some, this will mean additional family tax benefits; for everyone, the bill gives needed simplification for working families filing the most basic of tax returns.

Finally, the bill provides permanent tax relief to the first \$14,000 of all dual family taxable wages.

In conclusion, this legislation would ensure that a single mom in the military with 2 kids making \$25,000 would save 5 percent on the entire amount of her first \$14,000 of wages. It would ensure that she gets two child tax credits of \$1,000 per child so that her federal income tax liability, to the extent she has any, would be reduced dollar-for-dollar by that \$2,000 credit amount. If she does not have any federal income tax liability already—which is very possible—further enhancements to the refundability provisions of the bill ensure that she could receive a check for the full amount of her child credits totaling \$2,000. Finally, if she works in a designated "combat zone," the bill treats her combat zone wages as earned income to give her the full benefit of the child credit and the combat zone exclusion.

So you see, this bill provides significant tax relief to military families.

Let me make one more critical point about the issue of earned income credit and combat pay. We should all remember that at one time we did have combat pay included for purposes of the earned income credit. Then in the 2001 budget proposal, the Clinton administration requested the Congress to exclude from the EIC calculations all income excluded from gross income—including combat pay—for the purposes of determining the EIC. This request was made because of concerns of simplification and administration.

So it was the Clinton administration that proposed this change regarding exclusion of combat pay from EIC—a change that this bill today reverses.

I make this point not to cast a shadow over the Clinton administration's proposal but to highlight—as Senators raise their voices about the EIC combat provision being only a two year proposal—that it was the Clinton administration itself that first raised the concerns about the difficulty of administering combat pay and EIC benefits and asked that the code be changed.

We need to get this right. A confusing and unworkable tax provision will do more harm than good as military families unnecessarily find themselves crossways of the IRS.

We need to ensure that we are giving our military families a tax benefit that will do the job right.

Senator McCain criticized the extension of section 45. It is a renewable energy production credit. It is current law. The bottom line is the expiring tax provisions were treated similarly. All expiring tax provisions were extended through December 31, 2005.

Everyone agrees we need to reduce America's dependence on imported oil. The renewable energy production credit is one incentive that will help move America to energy independence. To let this incentive lapse would be to send the wrong signal to America's alternative energy producers. More dependence on Middle East oil is the wrong answer.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, this legislation would not have been possible without the help of many.

I appreciate the cooperation we received from the Republican staff, especially Kolan Davis, Mark Prater, Dean Zerbe, Ed McClellan, Elizabeth Paris, Christy Mistr, John O'Neill and Adam Freed.

I thank the staff of the Joint Committee on Taxation for their service.

I also thank my staff for their tireless effort and dedication, including Russ Sullivan, Patrick Heck, Bill Dauster, Matt Stokes, Matt Jones, Melissa Mueller, Matt Genasci, Anita Horn Rizek, Judy Miller, Jonathan Selib, Ryan Abraham and Wendy Carey. I also thank our dedicated fellows, Cuong Huynh, Scott Landes and Jeremy Sylestine.

Finally, I thank our hardworking interns: Kelsie Eggenesperger, Paige Lester, Priya Mahanti, Brittny McClary, Audrey Schultz and Mary Tuckerman.

Mr. President, the real thanks here, frankly, goes to a lot of Montanans who I have consulted with on this bill, CPAs and tax practitioners with whom I have been talking, acting as a sounding board as to which provisions should be changed, for example, to make them work better. They have been invaluable assistants to me. I am very appreciative to know I can just pick up the phone and ask, What do you think of this? What do you think of that? Montana business men and women, other taxpayers and practitioners, I very much thank them for their great help.

Real thanks really to the working men and women in my State and across the Nation. It is through their work and determination that our Nation has prospered. Of course, the group includes the wonderful men and women who serve in the military because they are the people who put their lives on the line. I am very grateful to them and am very humbled to be working for them.

Mr. President, I yield back the remainder of my time and ask for the yeas and nays on the conference report.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The majority whip.

Mr. MCCONNELL. Mr. President, let me just indicate for all of our Members that we are going to the Foreign Operations bill after this. We believe we are down to just a couple of amendments, and we are working on making them go away. Our goal is to pass it tonight. If we have the kind of cooperation we anticipate having, that will be possible. If not, we will have to stack the amendments and vote in the morning.

But I urge everyone to cooperate, and let's try to finish this up tonight. That is what the majority leader would like to do. That is where we will go next.

I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has expired.

The question is on agreeing to the conference report. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. REID. I announce that the Senator from Hawaii (Mr. AKAKA), the Senator from North Carolina (Mr. EDWARDS), the Senator from Hawaii (Mr. INOUE), the Senator from Massachusetts (Mr. KENNEDY), and the Senator from Massachusetts (Mr. KERRY) are necessarily absent.

I further announce that, if present and voting, the Senator from Massachusetts (Mr. KENNEDY) would vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 92, nays 3, as follows:

[Rollcall Vote No. 188 Leg.]

YEAS—92

Alexander	Dodd	Lugar
Allard	Dole	McCain
Allen	Domenici	McConnell
Baucus	Dorgan	Mikulski
Bayh	Durbin	Miller
Bennett	Ensign	Murkowski
Biden	Enzi	Murray
Bingaman	Feingold	Nelson (FL)
Bond	Feinstein	Nelson (NE)
Boxer	Fitzgerald	Nickles
Breaux	Frist	Pryor
Brownback	Graham (FL)	Reed
Bunning	Graham (SC)	Reid
Burns	Grassley	Roberts
Byrd	Gregg	Rockefeller
Campbell	Hagel	Santorum
Cantwell	Harkin	Sarbanes
Carper	Hatch	Schumer
Chambliss	Hutchison	Sessions
Clinton	Inhofe	Shelby
Cochran	Jeffords	Smith
Coleman	Johnson	Specter
Collins	Kohl	Stabenow
Conrad	Kyl	Stevens
Cornyn	Landrieu	Sununu
Corzine	Lautenberg	Talent
Craig	Leahy	Thomas
Crapo	Levin	Voinovich
Daschle	Lieberman	Warner
Dayton	Lincoln	Wyden
DeWine	Lott	

NAYS—3

Chafee	Hollings	Snowe
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NOT VOTING—5

Akaka	Inouye	Kerry
Edwards	Kennedy	

The conference report was agreed to.

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS ACT, 2005

The PRESIDING OFFICER. Under the previous order, the Appropriations Committee is discharged from further consideration of and the Senate will proceed to the consideration of H.R. 4818, which the clerk will report.

The legislative clerk read as follows:

A bill (H.R. 4818) making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 2005, and for other purposes.

The PRESIDING OFFICER. All after the enacting clause is stricken, and the text of S. 2812, the Senate Foreign Operations appropriations bill, is inserted in lieu thereof. The amendment is considered as original text, with no points of order waived.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. FRIST. Mr. President, we have had a long day already, but we made real progress. Again, over the course of the day, people do not see all the activity that has gone on. The managers of the bill and myself have actually spent most of the day on the bill we just went to, and that is the Foreign Operations bill. I say that because a lot of work has been done, a lot of negotiations and a lot of discussion, and our intention is we are on the bill to complete the bill tonight.

There are still discussions about amendments, and we want to make sure they are appropriately considered. But the intent is to finish debate and voting on whatever amendments there might be and passage tonight. It means it may well be a late night—it is already fairly late—or we could finish in a fairly expeditious way.

In the event that we do not complete the bill tonight, we will be voting tomorrow morning. We will have to stack the votes for tomorrow morning. That is not what the majority of Senators have expressed over the course of the day and the last few hours; thus, it is our intention to be voting tonight, and we will be voting tonight, and to complete the bill tonight.

I would like the Democratic leader to comment. The reason we feel it is important to finish tonight is the Jewish holiday is tomorrow. A lot of people have travel plans over the course of the day; thus, it is critical we finish.

Next week, we will be going directly to the intelligence reform issue. We need to be focusing on the safety and security of the American people. That does mean an appropriate response to the 9/11 Commission recommendations. Thus, with so few days left before October 8, it is absolutely critical we complete this bill tonight or very early in the morning. Our intention is to complete it tonight.

The PRESIDING OFFICER. The Democratic leader is recognized.

Mr. DASCHLE. Mr. President, I agree wholeheartedly with the majority leader. We have a window of about 24 hours. A number of colleagues have indicated to us that they would prefer that we not have any votes at all tomorrow, and that would be our first choice. But we also have Senators who have expressed an interest in offering amendments. We know if the hour gets too late, we will have no choice but, of course, to put these amendments over until tomorrow morning, but we will finish this bill either tonight or tomorrow morning. It will be up to Senators.

So I ask Senators on this side of the aisle if they have amendments to speak to me immediately so that we know just how much time they are going to need and how many amendments they intend to offer. It would be our hope that we could have a finite list of amendments certainly within the next 10 minutes.

This should not be a surprise to anyone.

We have talked about this all day long. I think the two managers of the bill have done an outstanding job and we ought to be prepared to go immediately to the bill and finish our work shortly, but please, if Senators have amendments, let me know immediately so we know exactly what our circumstances will be.

Mrs. BOXER. Will my colleague yield for a comment?

Mr. DASCHLE. I would be happy to yield to the Senator from California.

Mrs. BOXER. I urge us all, if we can possibly finish this tonight, as many of my colleagues know, it is a very important holiday for some of us tomorrow. I have to travel all across country, and others do as well, and it becomes tough to get it all in with families if we are not able to leave by 10 in the morning. So I hope my friends would offer amendments and vote on them tonight.

Mr. DASCHLE. I yield the floor.

The PRESIDING OFFICER. The minority whip.

Mr. MCCONNELL. Mr. President, I report to the majority leader and the Democratic leader, as far as this side is concerned, we believe we only have one amendment that may require a rollcall vote and we are working on that one. So we are down to one and I hope we will soon be down to none, but one that we know of at the moment.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, the senior Senator from Kentucky and I have been working very closely for the last week to get rid of as many amendments as we could. I think we have done a lot of that. As I said on the floor earlier this afternoon, if people have amendments, come and let me know. We have one, possibly two, and we are working diligently on those.

I say to the distinguished leaders, the best they can do might be to go forward. I am willing to move quickly. I

would be delighted to go to final passage in the next 5 minutes, but we do not want to preclude Senators from offering amendments. So if Senators are not serious about an amendment, then they should make that clear.

Senator MCCONNELL and I have tried to reflect the interests of both parties. As I recall, we passed this bill out from the Appropriations Committee unanimously. Republicans and Democrats alike strongly supported it. So this is very carefully crafted legislation.

The PRESIDING OFFICER. The majority leader.

Mr. FRIST. I will simply close by expressing my appreciation to our colleagues for working together. It has been a long day as we have worked toward the consideration of this bill. Again, I am confident if we continue to work together over the next few minutes, we will be able to have a very good game plan to finish the bill tonight. If we do not, we are going to be voting tomorrow morning. To me, that gives us a real incentive to work expeditiously over the next few minutes to bring this bill up, debate it, and then bring it to appropriate closure.

The PRESIDING OFFICER. The majority whip.

Mr. MCCONNELL. Mr. President, the fiscal year 2005 Foreign Operations appropriations bill totals \$19.386 billion in discretionary spending, \$42.5 million in mandatory spending, and \$150 million in emergency spending for HIV/AIDS. The discretionary amount is \$1.9 billion below the President's request.

The bill provides significant counterterrorism and counternarcotics resources, including full funding under the Economic Support Fund, ESF, and Foreign Military Financing, FMF, accounts for Israel, Egypt, Afghanistan, Pakistan, and Jordan. There is \$329 million provided under the International Narcotics Control and Law Enforcement account, \$30 million below the request but \$89 million above last year's level. The Andean Counterdrug Initiative is fully funded at \$731 million. Peacekeeping programs are fully funded at \$104 million.

The bill provides a total of \$2.4 billion for HIV/AIDS, TB and malaria from all accounts in the bill, including \$1.45 billion under the Global HIV/AIDS Initiative account. There is \$400 million made available for a contribution to the Global Fund, of which \$150 million is designated as emergency spending. When combined with funding in the Labor-HHS appropriations bill, the total for HIV/AIDS, TB and malaria exceeds \$3 billion, which is the amount authorized by Congress in Public Law 108-25.

The bill fully funds or increases funding above the request in the following accounts: development assistance, international disaster and famine assistance, assistance for Eastern Europe and the Baltic states, assistance for the independent states of the former Soviet Union, and international military education and training.

Reductions had to be made and we spread these out between the Export-Import Bank, transition initiatives, USAID operating expenses, economic support fund, Peace Corps, debt restructuring, foreign military financing, the Multilateral Development Banks, and the Millennium Challenge Corporation.

On the latter, let me be clear that the bill contains \$1.12 billion, an increase of \$120 million above last year's enacted level. There is strong support for this program on both sides of aisle.

Let me address refugee assistance and Sudan. We significantly increased assistance above the request under the Migration and Refugee Assistance account and the Emergency Refugee and Migration Assistance Fund, by \$45 million and \$30 million, respectively. While we intend a portion of these funds to be used to address the horrific crisis in Darfur, a provision was included to provide an additional \$150 million for Sudan, Darfur and the region from funds previously appropriated for Iraq in Public Law 108-106. Should the President not use these funds within 30 days after enactment of this act, they will be returned to the Iraq account.

Many long hours went into the preparation of this bill, and I want to recognize the efforts and input of Senator LEAHY and his staff, Tim Rieser and Mark Lippert. On my staff, Paul Grove and LaShawnda Smith deserve thanks for their hard work.

I also want to express my appreciation to Reb Brownell, a State Department detailee who helped put the bill together, and Bob Lester, whose continued counsel from his seat at USAID has been invaluable over the years. Finally, this bill would not exist if Richard Larson and his capable crew didn't assemble and print it. I want to thank Richard for his superb support of the Foreign Operations Subcommittee.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, I want to echo what my friend from Kentucky has just said. This is a good bill. Our subcommittee allocation is below the President's request, so we had to make some tough choices, but we did the best we could with what we had.

I want to thank Senator MCCONNELL for working in the best spirit of the Senate to produce a bipartisan bill and accommodate the overwhelming majority of requests from Senators. Chairman STEVENS and Senator BYRD also deserve a great deal of credit for this year's Foreign Operations bill.

Senator MCCONNELL went over the details of the bill so I will highlight just a few items:

The bill contains much-needed increases in refugee assistance that goes to some of the most vulnerable people in the world.

The bill rolls back proposed cuts to the Child Survival and Health and the Development Assistance accounts. This is important because most of the re-

quests we received from Senators on both sides of the aisle were for projects or activities funded in these accounts.

The bill provides a total of \$2.4 billion to combat AIDS, TB and Malaria, including \$150 million in emergency money for the global fund that we added by Senators DURBIN and BROWNBACK during the committee markup.

When combined with the funds in the Labor-HHS bill, this brings the Senate total for AIDS prevention and treatment to \$3.1 billion, including \$550 million for the global fund.

The bill added \$150 million in emergency funds to address the crisis in Darfur. There are hundreds of millions of dollars in additional disaster and food assistance for Sudan in this bill and in the Agriculture appropriations bill.

The bill includes several other important provisions dealing with accountability at the multilateral development banks, human rights in Colombia, corruption in Nicaragua and Guatemala, the interim government in Haiti, environmental conservation, international family planning, and assistance for Afghan women and girls, to name a few.

This is a good, balanced bill. We are on a fast track to get this done, so I hope Senators will come to the floor to offer their amendments. We want to move to third reading as soon as possible.

The PRESIDING OFFICER. The Senator from New Jersey.

AMENDMENT NO. 3671

Mr. CORZINE. I call up amendment No. 3671 and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from New Jersey [Mr. CORZINE] for himself, Mr. DEWINE, Mr. BIDEN, Mr. DURBIN, Mr. LIEBERMAN, Ms. LANDRIEU, Mr. FEINGOLD, and Mr. LEAHY, proposes an amendment numbered 3671.

The amendment is as follows:

(Purpose: To make available to the Department of State for the purpose of providing support for the rapid expansion of the African Union mission in Darfur, Sudan, \$75,000,000, to be designated as an emergency requirement)

On page 183, after line 23, add the following:

SUPPORT FOR AFRICAN UNION MISSION IN
DARFUR, SUDAN

SEC. 599F. (a) In addition, \$75,000,000 is appropriated to the Department of State to carry out the provisions of section 551 of the Foreign Assistance Act of 1961 for the purpose of providing equipment, logistical, financial, material, and other resources necessary to support the rapid expansion of the African Union mission in Darfur, Sudan.

(b) The entire amount in subsection (a) is designated as an emergency requirement pursuant to section 402 of S. Con. Res. 95 (108th Congress), as made applicable to the House of Representatives by H. Res. 649 (108th Congress) and applicable to the Senate by section 14007 of Public Law 108-287.

The PRESIDING OFFICER. The Democratic leader.

Mr. REID. Mr. President, I direct a question through the Chair to the distinguished Senator from New Jersey. It is my understanding that Senator DEWINE is going to be a cosponsor of this amendment; is that right?

Mr. CORZINE. Absolutely.

Mr. REID. The manager of the bill is checking with Senator DEWINE to see how much time he is going to take. Does the Senator from New Jersey have an idea how much time he could get by with?

Mr. CORZINE. Fifteen minutes or less.

Mr. REID. I ask unanimous consent that Senator CORZINE be recognized for up to 15 minutes on this amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The Senator from New Jersey.

Mr. CORZINE. I ask unanimous consent that the following Senators be added as cosponsors: Senators BIDEN, DURBIN, LAUTENBERG, LIEBERMAN, LANDRIEU, FEINGOLD, and LEAHY.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CORZINE. Mr. President, this amendment simply adds \$75 million in support of an expanded African union mission in Darfur, Sudan, moneys critically needed to stop the genocide that we all agree, voted on on this floor, is occurring. Hundreds of thousands of lives are at stake. We have heard estimates north of 300,000 to as many as a million.

Actually, the life of the whole country is at stake. The facts on the ground are well known. There have been 1.2 million people violently displaced. So-called Janjaweed or the militia supported by the government of Sudan have deliberately and systematically destroyed villages, foodstocks, poisoned water supplies, murdered and raped civilians, and an estimated 50,000 civilians have died.

There is no dispute in this country about what is happening. We heard a declaration a week ago from Secretary Powell that the rightful term with regard to what is going on in Darfur is "genocide." The question now is, what do we do about it? Are we responsible to give voice and meaning and money to do something to stop it?

It is terrific and it is very positive how the United States has reacted with regard to humanitarian assistance. It is critical if we hope to save lives, and it has made a huge difference. I know the majority leader, Senator BROWNBACK, myself, and others have visited. The humanitarian aid is making a difference. Is that enough?

The real challenge is to make sure we stop the genocide, not just feed the hungry. We need to do everything we can to bring security to the people of Darfur.

During my 3-day visit, I spoke with an incredible number of displaced people from all over that area of Darfur, which is roughly the size of France, who described rape, murder, starva-

tion, hundreds of thousands of people displaced, families broken up. It is time to act.

Even after people have been able to move into camps, they have described how the Janjaweed will come in after dark and continue harassing, hurting, and challenging the actual viability of the people in the camps.

The camps keep growing. There are more displaced people all the time who are attacked and forced from their homes. International humanitarian organizations are struggling to assist these folks. Our humanitarian aid has made a difference, as a number of us have seen, but it goes on and on. It is estimated that from illnesses, starvation, and other means, somewhere between 6,000 and 10,000 people die a month. There is fear that it could accelerate if an epidemic were to take hold in one of these camps or in a number of them.

There is also a security problem. Poor humanitarian conditions within those camps are creating anger among the displaced people, which might be quite obvious to anyone. If my colleagues could have seen one of these places, people are living in hovels and without any kind of quality water considerations, even if they have rations and food. This anger that is building in the camps is fueling this revolution that is going on between the Government of Sudan and the Darfur rebels. It is inciting even more of it.

Given the complete lack of security and stability in the region, a seemingly endless crisis involving displaced people which will go on for years if there is not something done about both the security situation and the political situation, we are going to end up spending \$500 million for as far as the eye can see to maintain people staying and living in these camps.

That does not make sense. Remember, if we build up the anger in those camps, what have we created? We have created a breeding ground for further violence and also the fomenting of terrorism. Remember, Sudan 8 years ago was the home to Osama bin Laden and the terrorist groups—al-Qaida.

We can help stop the genocide, bring security to Darfur, start to stabilize the region, and create the conditions for peace. What is more, there is at this brief critical moment a real consensus. You hear it in the Foreign Relations Committee. You read it in the newspapers. You see it from the people who are sponsoring the efforts on genocide. This is something we can deal with today if we are prepared to allow in this bill the resources that will allow the United States to help the African Union fund the kinds of peacekeeping troops on the ground that will make a difference.

Right now there are currently 125 African Union monitors in Darfur and an additional 305 monitors, watchers, protective forces for the monitors who are looking at this area that is the size of France. It is kind of ridiculous on the surface of it, as a peacekeeping force.

There is an opportunity. The African Union wants to provide the troops. It doesn't have the money. It doesn't have the logistical support. But it has the ability to put the troops on the ground.

We should not send American troops. Nobody is asking to send American troops. What we are trying to do is get the resources so we can stop this genocide by putting a legitimate peacekeeping force on the ground.

It is an incredible tradeoff. Are we going to continue to spend \$500 million a year on humanitarian aid to keep people in camps or are we going to try to create a secure situation where people can go back to the villages, start their lives, and maintain some safety in their world? To me, this is an easy expenditure. It is a cost-benefit analysis that we should be able to understand. It brings an opportunity for people to have security in the villages, in and around the camps, and change the terms and conditions of security which is the precondition to get on with a political settlement between the Darfuri rebels and the central government—which, by the way, was also locked with the whole issue of how the southern Sudanese rebels and the central government were working together, which we as a nation have put so much effort to bring about. But this is standing in the way of that moving forward.

I do not understand why we would not want to make an investment that will work on the security, that will lay the pathway to have us get to a political settlement that will make a difference and save incredible amounts. This is being supported, endorsed, and embraced by African leaders across the continent. They just don't have the resources to deal with it. It is being led by Nigerian President Olusegun Obasanjo, who currently heads the AU. He has done everything he can to get the rebels and the central government to negotiate a political settlement, but as long as there is continuing violence and anger building up in these camps, we are not going to get to that answer. We are not going to get to it, and we need to make sure we invest in something that will bring change, bring security as well as the humanitarian aid so we can get on with that political settlement.

There are very few times when you can say, if we invest \$75 million now, over a longer period of time we will save having to bring all this humanitarian aid. People really care deeply about trying to prevent the kind of loss of life that is estimated by officials from all parts of the world. This is something that is clear and present and should be dealt with. This is where the United States ought to show the moral courage to stand up and act because there is something that is going to happen that is very clear in people's eyes if we do not.

I encourage my colleagues to say this is \$75 million; it is going to be above

the budget resolution. If I am not mistaken, we just approved \$146 billion worth of overage, over-budget resolutions, without any paying for it. Here we are talking about \$75 million that can start us on the pathway to peace and protection of as many as 1.2 million individuals.

I hope we will be reasonable, particularly in light of how we dealt with the budget resolution on tax cuts. We ought to think about the cost-benefit that will be very obvious. It will make a real difference in human life and it is something we can all be proud of because we are making a statement that we want to stand with humanity on straightening out a very serious problem.

To reiterate, this amendment would add \$75 million to support an expanded African Union mission in Darfur, Sudan. This money is critically needed to stop the genocide that we all agree is occurring there. Hundreds of thousands of lives are at stake, as is the future of an entire country.

The facts on the ground are now well known. There are 1.2 million people who have been violently displaced. The Janjaweed militia, supported by the Government of Sudan, have deliberately and systematically destroyed villages and food stocks, poisoned water supplies, murdered and raped civilians. An estimated 50,000 civilians have died.

There now is no dispute in this country about what is happening. On July 22, both houses of Congress spoke, calling the atrocities in Darfur by their rightful name: "genocide." On September 9, Secretary of State Colin Powell made the same declaration. The question now is what do we do about it?

Humanitarian assistance is critical if we hope to save lives, and I have and will continue to push for the maximum amount of U.S. and international aid. The crisis in Darfur requires more than a half a billion dollars this year, and we are still hundreds of million of dollars short.

But we also must do everything we can to begin to bring security to Darfur. During my recent trip, I spoke with internally displaced people who described for me the attacks that forced them from their villages. I asked one man when he expected to return. He told me, "maybe 30 years." Other displaced people told me how they can't venture outside the camps and how women are at constant risk of rape. They even described how the Janjaweed ride through the camps at night, terrorizing those who recently fled their attacks.

Meanwhile the camps are growing, as more and more displaced people are attacked and forced from their homes. As a result, the international humanitarian organizations are struggling to assist the new displaced people. When I was in Krinding camp, in Geneina, I saw newly arrived displaced people without shelter, huddling under make-

shift lean-tos of sticks and pieces of burlap and other materials they had found. These conditions persist in the midst of the rainy season and are fueling the current death toll, which is estimated at between 6,000 and 10,000 a month.

The security problems and the poor humanitarian conditions in the camps are creating increasing anger among the displaced people. This rage risks spinning out of control and fueling the civil war currently being waged between the Government of Sudan and the rebels. Given the complete lack of security and stability in Darfur and the seemingly endless crisis involving displaced people, we can anticipate years of crisis—costing the international community half a billion dollars a year, eliminating any possibility of stability or economic growth in Sudan, and possibly leading to the kind of failed state that breeds chronic violence and terrorism.

We can help stop the genocide, bring security to Darfur, start to stabilize the region and create the conditions for peace. What's more, there is—at this brief and critical moment—real consensus, here in America and among our allies about what to do.

Our option—our only option at this time—is to support the mission of the African Union. There are currently 125 AU monitors in Darfur, sent following the cease fire signed between the Government of Sudan and the rebels on April 8 in Chad. There are also 305 Rwandan and Nigerian troops deployed as protection forces for the monitors. I visited the monitoring teams when I was in Darfur. Their efforts to investigate and document violations of the cease fire are critical to establishing accountability, and their presence and the presence of the troops are the only hope for deterring attacks by the warring parties and the Janjaweed.

But the small AU contingent is, by all accounts, insufficient. Darfur is the size of France, and much of it is not easily accessible. To really address the security crisis in Darfur, we need more monitoring teams, deployed throughout the region. And we need thousands of troops with an expanded mission, to protect civilians and bring security to the region. The monitors and troops need meaningful support—air lift, vehicles, communications equipment, and other resources. This support is not insignificant—the United Nations has estimated that a 4,200-person force will cost \$228 million per year. But, when we are considering an indefinite humanitarian crisis costing half a billion a year, how can we fail to spend less than half that amount for the only possibility of stabilizing Darfur and eventually resolving what is, in the end, a political and military crisis.

As for the U.S. contribution, my amendment would make available \$75 million for an expanded AU force, one third of the UN estimate. Clearly, we need to engage with the EU and our other allies, with Arab and Muslim

countries, and with other member states of the UN so that support for the AU is truly an international endeavor. But we can provide real leadership by demonstrating America's commitment to ending this genocide, not just in words but in a real contribution to peace and security.

This particular moment is made even more critical by the fact that the African Union has stepped up. The AU's leadership, whom I met in Addis Ababa, Ethiopia, has demonstrated initiative and courage in standing up to the Government of Sudan and insisting on a real and effective mission in Darfur. Almost 2 months ago, on July 27, 2004, the AU Peace and Security Council called for a "comprehensive plan" to enhance the effectiveness of the mission, including, "the possibility of turning the mission into a full-fledged peacekeeping mission, with the requisite mandate and size," a mission that would emphasize, "the disarmament and neutralization of the Janjaweed militia, the protection of the civilian population and the facilitation of the delivery of the humanitarian assistance." Then, on August 4, the AU as a whole stated its interest in expanding its force in Darfur to several thousand troops.

This vision has been pushed by visionary African leaders such as Nigerian President Obasanjo who currently heads the AU. President Obasanjo has not only supported an expanded role in Darfur, but pushed in his own country for more troops.

This will not be easy. The AU is a new institution and, despite its strong leadership, does not have meaningful experience, as a bureaucracy, with peacekeeping. Darfur is, in every sense, a real test of the AU. But it is also a test for us. African leaders are taking bold initiatives to confront a crisis on the continent, and we have expressed our support. But they need real help to succeed. If we merely support the AU in theory, but don't put resources where our mouth is, the tragedy will be almost beyond comprehension. Even beyond the genocide in Darfur, we will have set up the AU for failure at precisely the moment when it could really succeed. We will have crippled the AU, when it stands ready to help bring peace to this and other parts of Africa.

An expanded AU mission in Darfur has bipartisan support in Congress. The administration has also said, and begun to do, the right things. On September 9, Secretary Powell said:

The most practical contribution we can make to the security of Darfur, in the short-term, is to do everything we can to increase the number of Union monitors.

He also stated that the expansion of the AU force:

Will be first priority for our efforts in the days ahead.

We are currently providing \$6.8 million to the tiny AU force now deployed in Darfur, and I was pleased that Secretary Powell came before the Senate Foreign Relations Committee and identified another \$20.5 million. But, as

Secretary Powell acknowledged, the expansion of the African Union force will require money, assets, planes, logistics support and current funding levels are simply not enough.

Finally, a word about the international support for an expanded AU mission. Last Saturday, the UN Security Council passed Resolution 1564 which supported:

The intention of the African Union to enhance and augment its monitoring mission in the Darfur region of Sudan.

The Resolution also urged member states to support the AU by providing all:

Equipment, logistical, financial, material, and other resources necessary to support the rapid expansion of the African Union Mission.

This is precisely what this amendment would do—it would support the AU and send a powerful message to the rest of the world that America will provide real, tangible leadership on this issue.

There is one sticking point, and that is the Government of Sudan, whose leadership has stated that it does not oppose the expansion of the AU force, but has hardly been welcoming. The Government of Sudan has also resisted any AU force with an explicit peacekeeping mandate. We must bring the full weight of the international community and use all available leverage, including the explicit threat of sanctions to get this expanded AU force on the ground. The Security Council resolution alluded to this threat, stating that if the Government of Sudan fails to cooperate fully with the expansion and extension of the AU mission, it would, quote, “consider taking additional measures.”

While the resolution also made reference to Sudan's petroleum sector and measures against the Government of Sudan or individual members of the Government of Sudan, it could have been, and should have been much stronger and more specific. But, last week's Security Council action at least puts the international community on record. Now we need to treat this situation with the urgency it demands. We need to make it perfectly clear to the Government of Sudan that there will be multilateral sanctions if it does not cooperate with an expanded AU mission. This threat must be real. We cannot allow it to be watered down in the Security Council. Khartoum either allows the mission in, or it doesn't. The Council has said there will be consequences for not cooperating. Those consequences should be immediate; there should be no extensions.

And we should signal our seriousness to the Government of Sudan, to our allies and to the AU by putting in place everything that an expanded AU mission in Darfur will need. We have the resources to do this. There are practical ways for us to stop this genocide. We can, if we have the will, do this now.

Mr. President, I ask unanimous consent to add Senator MIKULSKI and my

friend from Michigan, Senator STABENOW, as well, as cosponsors of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mrs. STABENOW. I thank the Senator.

Mr. CORZINE. Mr. President, I am not certain but I think Senator DEWINE wanted to speak. I don't know how much time we have left.

The PRESIDING OFFICER. The Democratic whip.

Mr. REID. Mr. President, I wish to express through you to the senior Senator from New Jersey the appreciation of the whole Senate. Everyone knows it is late at night and there are a lot of significant things to do tomorrow, including a religious holiday.

Those of us in the Senate know how passionately he feels about many issues, not the least of which is the terrible situation we have in Darfur. I want him to know that we appreciate his eloquence. He certainly very eloquently made the point. I, among others, am confident we will vote for this amendment. It is really important, and I appreciate the cooperation of the Senator from New Jersey, as usual.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Mr. President, I will be equally brief to commend my colleague from New Jersey, Senator CORZINE, for his extraordinary leadership on this bipartisan amendment. Senator DEWINE of Ohio is a cosponsor of it. It is clearly an issue we all share feeling on, on both sides of the aisle.

We learned our lesson in Rwanda. President Clinton has said that of all the things in foreign policy during his Presidency, he regrets the most that he didn't act and act quickly to confront the genocide in Rwanda. I commend not only Senator CORZINE and Senator DEWINE, and add my name as a cosponsor, but I also commend Secretary of State Colin Powell who has said clearly:

We concluded that genocide has been committed in Darfur and that the government of Sudan and the Janjaweed bear responsibility and genocide may still be occurring.

That word, “genocide,” used by Secretary Powell, is historic. It is historic because it then places a burden on every civilized nation, including the United States, as signatories to the antigenocide treaty, to do something.

What Senator CORZINE and Senator DEWINE suggest, increasing the African Union monitors, is going to be critical. That is what we are doing here today. We are putting more monitors in the field, in the field where men are still being murdered, women are still being raped and murdered. The least, I really mean the least, we can do is give the African Union the tools to try to halt this genocide. I am happy to join in cosponsorship of this amendment, and I yield the floor.

The PRESIDING OFFICER. The Senator from New York.

Mrs. CLINTON. Mr. President, I rise to add my strong support to the efforts

of the Senator from New Jersey. The situation in Sudan has been plaguing the civilized world for years. Despite the best efforts of those who have attempted to broker some kind of resolution, including our Secretary of State, the Secretary General of the United Nations, other people of good will, the Sudanese Government—which is largely a terrorist regime—continues to thumb its nose at the civilized world and continues to support and engage in the terrorism that afflicts the Darfur region.

We have to do something. What the Senator from New Jersey proposes, to declare a contingent emergency, to ask the administration to continue its best efforts to look for a way to bring even greater pressure on the Sudanese, is exactly what we should do.

Many of my colleagues have been to Sudan. They have returned to report and to validate the stories we read in the press. The Janjaweed are, obviously, a tool of the Sudanese Government. The regime in Khartoum is attempting to obliterate, to commit genocide against the people of Darfur.

Once again, for the rest of the world, including the United States, to stand by and watch this happen, engage in diplomatic, political, and United Nations Security Council negotiations, but the murdering continues, the raping continues, the extraordinary hardship continues, it is just unacceptable.

There have been a lot of books written in the last couple of years about how could we let Rwanda happen? Why did we wait so long before we went into Bosnia and Kosovo? I don't know the answer to all of that. But I know that we face right now another situation of genocide.

I commend the Senator from New Jersey, who has been to Sudan, who has seen firsthand the effect of these genocidal policies carried out by the Sudanese Government, and I hope we will support his efforts. The Senate should be on the side of protecting people who are attempting to live their lives and go about their daily business.

We are expending tens of billions of dollars to bring democracy and freedom to Iraq. We should be doing all we can with moral authority and financial support and with logistical support to try to end the genocide in Darfur.

I hope our colleague will support this very important amendment by the Senator from New Jersey and stand with the people who are oppressed, who are left behind, largely women and children who are totally under the thumb, the heel, the boot of these Janjaweed marauders who are fully supported by the Sudanese Government, and do what we can to go on record in this Foreign Operations appropriations to make it clear that we will do whatever we can to stand with people who are being subjected to genocide.

I hope our colleagues on both sides of the aisle will support the amendment of the Senator from New Jersey.

I yield the floor.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. REID. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent that the order for the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. Mr. President, I ask unanimous consent that the pending amendment be set aside for the purpose of Senator DAYTON offering an amendment. It is my understanding that he only wishes up to 7½ minutes to speak for his amendment.

The PRESIDING OFFICER. Is there objection?

Mr. McCONNELL. Mr. President, if the assistant minority whip will yield for a moment, I am able to announce that there are no more amendments on this side that will require rollcall votes.

Mr. REID. We are prepared to announce on this side, following the conclusion of the Corzine amendment and the Dayton amendment, that we have no more rollcall votes.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The Senator from Minnesota.

AMENDMENT NO. 3672

Mr. DAYTON. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Minnesota [Mr. DAYTON] proposes an amendment numbered 3672.

Mr. DAYTON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To provide an additional \$500,000,000 for economic development in Afghanistan)

On page 183, after line 23, add the following:

ADDITIONAL ECONOMIC ASSISTANCE FOR AFGHANISTAN

SEC. 599F. The total amount appropriated by title II for other bilateral economic assistance under the heading "ECONOMIC SUPPORT FUND" is hereby increased by \$500,000,000. Of such total amount, as so increased, \$500,000,000 shall be available for assistance for Afghanistan.

Mr. DAYTON. Mr. President, I ask unanimous consent that Senator REID of Nevada be added as an original cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DAYTON. Mr. President, this amendment would increase the funding for economic development assistance aid to Afghanistan by \$500 million. The bill before us provides only \$225 million in economic development assistance

through the Economic Security Fund and then some portion of \$172 million identified for development and health.

Last year, in fiscal year 2004, the Congress appropriated \$900 million in economic development aid and \$172 million for development in health through the regular and the supplemental appropriations bills. Those combined categories in total appropriations under this bill will drop from \$1.71 billion from the current fiscal year, to \$397 million for 2005. That is a cut in funding of 63 percent from one year to the next.

My amendment will increase next year's Afghanistan development aid to \$897 million, which is still 15 percent less than it is in the current fiscal year.

What kind of message does this bill send to Afghanistan President Karzai and to his Government—one of their leaders was almost assassinated last week—and to the people of Afghanistan just before they hold their elections?

This is probably not the intent of the bill, but there was a 60-percent cut in economic development assistance that was too little before.

Afghanistan is not a wealthy country like Iraq. It will be when its oil reserves can be developed. Afghanistan, right now, is poverty and poppies—opium. The more poverty they have, the more poppies they will grow.

Just 3 months ago, President Karzai made a strong appeal to all of us in a joint session of Congress for more aid. That was following the necessary war which this Senate supported unanimously in September of 2001, for which I voted along with all of us who were present at that time. Our courageous Armed Forces succeeded in 10 weeks and accomplished what the former Soviet Union could not achieve in 10 years. Our Armed Forces routed the Taliban and al-Qaida but left political, social, and economic vacuums that have not been filled—at least not by the right elements.

President Karzai stated eloquently and emphatically 3 months ago the need for more aid. He said, and I quote in part:

We must build a partnership that will consolidate our achievements and enhance stability, prosperity and democracy in Afghanistan and in the region. This requires sustaining and accelerating the reconstruction of Afghanistan through long-term commitments.

That is what President Karzai said to six of us in January of 2002 in Kabul in a bipartisan delegation that was led by our Democratic leader, Senator DASCHLE.

Yet the Bush response to that plea has been tepid.

The world response has been cold. This bill would ice the effort with a 60-percent economic development aid cut. In fact, the entire bill's total military and nonmilitary aid to Afghanistan combined is less than half of the fiscal 2004 appropriation—less than half.

Mr. President, today's New York Times has an editorial entitled "A

Chance of Success Slips Away," by J Alexander Thier, a fellow at the Hoover Institution in California. I ask unanimous consent that it be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. DAYTON. I would like to read a few portions of Mr. Thier's analysis:

President Bush describes Afghanistan, the first front on the war on terrorism, as a success. In comparison to Iraq, perhaps it is. But if you look at Afghanistan on its own merits, the lack of progress is disheartening. In 2002, President Bush promised a "Marshall Plan" for the country, with the goal of turning Afghanistan into a stable, democratic state. . . . Yet in nearly three years we have failed to create security, stability, prosperity or the rule of law in Afghanistan. . . . Our efforts in Afghanistan are underfinanced and undermined, and our attention is waning.

The root of the problem is that we invaded Afghanistan to destroy something—the Taliban and Al Qaeda—but we didn't think much about what would grow in its place. . . . Afghanistan has become a collection of warlord-run fiefs fueled by a multibillion-dollar opium economy.

Continuing with Mr. Thier's editorial remarks:

Our Army continues to hunt insurgents in the mountains, but we have refused to take the steps necessary to secure the rest of the country, and it shows. More coalition and Afghan government soldiers and aid workers have died this year than in each of the previous two. This summer, Doctors Without Borders, which has worked in the most desperate and dangerous conditions around the world, pulled out of Afghanistan after 24 years. In other words, the group felt safer in Afghanistan during the Soviet occupation and the civil war that followed than it did three years after the United States-led coalition toppled the Taliban.

He concludes by stating:

Our experience demonstrates that you can't fight wars, or do nation-building, on the cheap. Afghanistan should be a critical election issue this year, but Iraq looms much larger in the public mind. Unless the next administration steps up to the plate, it may well be an issue in four years, when we start asking, "Who lost Afghanistan?"

I submit that tonight is our opportunity in this Senate to step to the plate, not to let this become a failed opportunity, not to allow the blood that has been shed by American soldiers to do what we originally said was the thrust of the war against terrorism—to go after al-Qaida, to drive them out of that country, to deny them safe havens and sanctuaries there, to rout the Taliban government, to install a democracy—and yet we have largely missed that opportunity along with the other wealthy nations of the world.

The failure of an adequate response to assist that country economically and in its rehabilitation has been just astonishing to me. What a missed opportunity. What an opportunity it is to showcase to the world our way of life, our generosity, to transform a country in a short period of time and show the rest of the Islamic world what our way of life, what our economic system can

do, and why it is so vastly superior to anything else, to take the horns of misperception off of the way those people incorrectly perceive this country. But many millions of them do. What an opportunity we have, and here we are cutting economic development aid to Afghanistan in this bill by over 60 percent.

I thank the Senator from Nevada for his cosponsorship. He has been a champion of this concern before I started here tonight. He has brought it up on the floor numerous times. Even though there is not an offset in this amendment, I think it would be penny-wise and pound very, very unwise for us not to raise the level of funding in this bill for Afghanistan for economic development aid to help move that country forward and to save American lives this year and years to come, both here and around the world.

Thank you, Mr. President. I yield the floor.

EXHIBIT 1

[From the New York Times, Sept. 23, 2004]

A CHANCE OF SUCCESS SLIPS AWAY

(By J. Alexander Thier)

STANFORD, CALIF.—President Bush describes Afghanistan, the first front on the war on terrorism, as a success. In comparison to Iraq, perhaps it is. But if you look at Afghanistan on its own merits, the lack of progress is disheartening. In 2002, President Bush promised a “Marshall Plan” for the country, with the goal of turning Afghanistan into a stable, democratic state. On Tuesday, before the United Nations General Assembly, the president said that “the Afghan people are on the path to democracy and freedom.” Yet in nearly three years we have failed to create security, stability, prosperity or the rule of law in Afghanistan.

These failings are not just a reflection of the great difficulties of nation-building in places like Afghanistan, they are also the direct result of the Bush administration’s policy decisions. Our efforts in Afghanistan are underfinanced and undermanned, and our attention is waning.

The root of the problem is that we invaded Afghanistan to destroy something—the Taliban and Al Qaeda—but we didn’t think much about what would grow in its place. While we focused on fighting the terrorist (and even there our effectiveness has been questionable), Afghanistan has become a collection of warlord-run fiefs fueled by a multibillion-dollar opium economy. We armed and financed warlord armies with records of drug-running and human rights abuses stretching back two decades. Then we blocked the expansion of an international security force meant to rein in the militias. These decisions were made for short-term battlefield gain—with disregard for the long-term implications for the mission there.

Our Army continues to hunt insurgents in the mountains, but we have refused to take the steps necessary to secure the rest of the country, and it shows. More coalition and Afghan government soldiers and aid workers have died this year than in each of the previous two. This summer, Doctors Without Borders, which has worked in the most desperate and dangerous conditions around the world, pulled out of Afghanistan after 24 years. In other words, the group felt safer in Afghanistan during the Soviet occupation and the civil war that followed than it did three years after the United States-led coalition toppled the Taliban.

Last month, after a United Nations-backed voter registration office was bombed, the vice president of the United Nations Staff Union urged Secretary General Kofi Annan to pull employees out of Afghanistan. The opium trade is also out of control, fueling lawlessness and financing terrorists. Last year, the trade brought in \$2.3 billion; this year, opium production is expected to increase 50 to 100 percent.

Amid terrorist attacks and fighting among regional warlords, the country is preparing for presidential elections on Oct. 9. A recent United Nations report warned that warlords were intimidating voters and candidates. This month, the Organization for Security and Cooperation in Europe, which has monitored post-conflict elections in trouble spots like Bosnia and Kosovo, declared that Afghanistan was too dangerous for its election monitors (it is sending a small “election support team” instead). President Hamid Karzai narrowly escaped assassination last week on his first campaign trip outside Kabul, and eight other presidential candidates have called for elections to be delayed, saying it’s been too dangerous for them to campaign.

Many of these problems flow from early mistakes. Rather than moving quickly to establish security and then gradually turning over control to a legitimate domestic authority, we have done the opposite. As fighting among warlord militias in the countryside intensifies, we are slowly expanding our presence and being dragged into conflicts. The American “advisers” in Afghan Army units, the ubiquitous heavily armed “private” security forces and the fortress-like American Embassy are garnering comparisons to the day of the Soviets.

In Kabul, the effort to build a stable, capable government has also lagged dangerously. President Karzai has begun to show great fortitude in challenging warlords. But his factious cabinet, born of political compromise, has collapsed under the pressure of the country’s hurried presidential elections. Outside Kabul, his control remains tenuous in some places, nonexistent in others. Kabul’s Supreme Court, the only other branch of government, is controlled by Islamic fundamentalists unconcerned with the dictates of Afghanistan’s new Constitution. On Sept. 1, without any case before the court, the chief justice ordered that Latif Pedram, a presidential candidate, be barred from the elections and investigated for blasphemy. His crime? Mr. Pedram had suggested that polygamy was unfair to women. These clerics are trying to establish a system like that in Iran, using Islam as a bludgeon against democracy.

It’s true that there have been several important accomplishments in these three years: the Taliban and Al Qaeda no longer sit in Kabul’s Presidential Palace; girls are back in school in many parts of the country; some roads and buildings have been rebuilt; and more than 10 million Afghans have registered to vote for the presidential elections. Thousands of international aid workers have been working with the Afghans, often at great risk, to make things better. Despite the slow progress, most Afghans are more hopeful about their future than they have been in years.

But many people working there are left with the nagging feeling that much more could have been done both to help Afghanistan and fight terrorism over the last three years. Our experience demonstrates that you can’t fight wars, or do nation-building, on the cheap. Afghanistan should be a critical election issue this year, but Iraq looms much larger in the public mind. Unless the next administration steps up to the plate, it may well be an issue in four years, when we start asking, “Who lost Afghanistan?”

The PRESIDING OFFICER. The minority whip.

Mr. REID. Mr. President, the Senator from Minnesota and I acknowledge we tonight do not have the votes for this amendment. That is not to take away from the severity and the importance of this amendment. The people of Afghanistan deserve this. All the attention is focused on Iraq, a little bit on Afghanistan. But you look at the numbers here, with what was given last year, plus the supplemental to Afghanistan, this is only about half as much money as they got last year.

Afghanistan is a place where Pat Tillman gave his life and about 35 or 40 other Americans. I think it is wrong that we are not reaching out to this country we abandoned on a previous occasion. I would hope that everyone here recognizes that the Senator from Minnesota and I will be back on this issue. This is an issue that is important to our country, to maintain the dignity of our country, to show that we do not give up on our friends. And Afghanistan is our friend.

I compliment and applaud the Senator from Minnesota for being the kind of person he is, to care about people who need caring about. If there were ever a society that needs help, it is the people of Afghanistan. This is not money for more guns and tanks and airplanes. It is money to help build that country up from the grassroots, so to speak, to help them become more than what they now are. And that is what they deserve.

AMENDMENT NO. 3672 WITHDRAWN

It is my understanding, Mr. President, the Senator from Minnesota and I are—is it appropriate I ask consent this amendment be withdrawn?

Mr. DAYTON. Reluctantly so, I say to the Senator, and with the request or plea to those who will take this bill to conference that they seek ways—the House has an increase in funding by \$48 million over the administration’s request. I plead that the conferees look for ways to increase this funding. It would be money very well spent. But, yes, I ask unanimous consent to withdraw the amendment.

The PRESIDING OFFICER. Without objection, the amendment is withdrawn.

The PRESIDING OFFICER. The Senator from Ohio.

AMENDMENT NO. 3671, AS MODIFIED

Mr. DEWINE. Mr. President, I ask unanimous consent to amend the Corzine-DeWine amendment that is currently at the desk.

The PRESIDING OFFICER. Is there objection to modifying the amendment? Without objection, the amendment is modified.

The amendment, as modified, is as follows:

On page 183, after line 23, add the following:

SUPPORT FOR AFRICAN UNION MISSION IN
DARFUR, SUDAN

SEC. 599F. (a) In addition, \$75,000,000 is appropriated to the Department of State to

carry out the provisions of section 551 of the Foreign Assistance Act of 1961 for the purpose of providing equipment, logistical, financial, material, and other resources necessary to support the rapid expansion of the African Union mission in Darfur, Sudan.

(b) The entire amount in subsection (a) is designated as an emergency requirement pursuant to section 402 of S. Con. Res. 95 (108th Congress), as made applicable to the House of Representatives by H. Res. 649 (108th Congress) and applicable to the Senate by section 14007 of Public Law 108-287.

(c) That such amount shall be available only to the extent that an official budget request for \$75,000,000 that includes designation of the amount as an emergency requirement, as defined in S. Con. Res. 95 (108th Congress), as made applicable to the Senate by section 14007 of Public Law 108-287, is transmitted by the President to the Congress.

Mr. DEWINE. Mr. President, I rise to support the Corzine-DeWine amendment. I will be very brief.

This bill, as I said earlier today, already contains additional money to assist the humanitarian mission in Darfur, in the Sudan. I think everyone in this Chamber knows why this money is necessary. This amendment, that is currently pending that my colleague Senator CORZINE and I have submitted, would provide an additional \$75 million to be used to support the African Union's mission in Darfur. It would help support these troops. This would be our share of that support. Their mission is necessary. As my colleague said earlier, spending this money now would certainly save us spending money in the future.

But it is the right thing to do. Anyone who has seen the pictures of what is going on in Darfur, anyone who has read about this genocide, understands the need to have the African Union troops in there as monitors and for other purposes. They need to be in there. This will contribute and make this money available. So I ask my colleagues to support this as the right thing to do.

I thank the Chair.

Mr. LEAHY. Mr. President, I strongly support the amendment offered by the Senator from New Jersey to address the crisis in Darfur, Sudan.

This amendment appropriates \$95 million to support the African Union mission that will help to provide desperately needed security in Darfur.

We simply must act: What is happening there is genocide. The Congress has said it. The Secretary of State has said it. The world knows it. People are dying at a staggering rate, and it will only get worse.

After we appropriate this money, there is one other important piece of the puzzle—the administration must spend it. I will be working with the Senator from New Jersey and the Senator from Ohio to ensure that the President does the right thing and spends this money.

I thank the Senator from New Jersey for his strong leadership on this issue.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment, as modified.

The amendment (No. 3671), as modified, was agreed to.

Mr. MCCONNELL. I move to reconsider the vote and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. BROWNBACK. Mr. President, I wanted to speak for a minute and thank the managers of this bill, if I may. I thank the chairman and ranking member. They have done an outstanding job on a broad set of topical issues, from Sudan to Darfur to the Global Fund to HIV, malaria issues, food aid programs that we have been able to plus up in a tight budget. This is a bill people can be quite proud of, on which people have done good work. They have done it well within the resources that were available to us.

There will be things we will continue to work on in conference that are important, but I think they have done an outstanding job. It is something this Nation can be proud of, that we are investing in other people who are in difficult circumstances in a lot of places around the world. There are not many votes there from this country, but there are a lot of hearts and souls that need to be touched.

The chairman and ranking member have done an outstanding job. I wanted to recognize them. This is certainly a vote I will be pleased to make at this time.

I yield the floor.

The PRESIDING OFFICER (Ms. MURKOWSKI). The Senator from Kentucky.

Mr. MCCONNELL. Madam President, I thank the Senator from Kansas for his kind remarks and the important contributions he has made to this bill, both in committee and on the floor. I thank him very much.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. I also commend the Senator from Kansas. We have had long discussions on some of these efforts. He knows the Senator from Kentucky and I have been trying to work out as non-partisan a bill as possible on these issues. His sense of morality and concern—I say it in the best sense of the word—has been very helpful. All 100 of us live a comfortable life. None of us go hungry except by choice. Some of us do that off and on for whatever reason. But it is only by choice. We have people in parts of the world we have been talking about who cannot even be fed by choice. They starve to death. They have no choice.

On these amendments, what the Senator from Kansas and the Senator from Kentucky and I, the Senator from New Jersey, the Senator from Ohio, and others have tried to do is let them know in this country, the wealthiest, most powerful Nation on earth, there are people who know they are starving, they know they are dying, they know this goes beyond a question of politics. This is a question of morality, deepest

moral sense of human beings to make sure we feed them. I commend him for his work.

The PRESIDING OFFICER. The majority whip.

Mr. MCCONNELL. Let me indicate that we are near the end of the road here. I hope to be able to announce in a few moments that our business will be completed entirely on rollcall votes. I can't announce that quite yet, but we are close. We should know momentarily whether we can complete all of the remaining amendments and final passage on voice vote.

Mr. LEAHY. Madam President, there is a rock group that I have been reputed to have spent time with and listened to. One of their songs is "Keep on Trucking." I might say, a long strange trip it has been. But if we keep on trucking, at least those of us with a touch of gray will complete this.

I will at this point, while the distinguished Senator from Kentucky tries to maintain his composure, stop going through the song, the playbook of the Grateful Dead.

Mr. MCCONNELL. Madam President, I am relieved that the senior Senator from Vermont is not going to break into song. We have had a feeling between us over the years in doing this bill that each year we wanted to finish it in less time than we did the year before. And I might say to my friend from Vermont, I think this year may be our record. We are on the verge of the shortest time for passage in our history together.

Mr. LEAHY. Madam President, a lot of people watch and don't fully understand what goes on. We have quorum calls during the day. They are watching on TV. They can see different huddles of Senators. We are oftentimes getting a lot of work done. I once joked that more laws get passed in the Senators' dining room or the Senators' gym than on the floor. That is where Senators get together. The Senator from Kentucky and I, based on our years and years of personal friendship, along with the distinguished Senator from Alaska, the chairman, and the distinguished Senator from West Virginia, the ranking member, know how to work these things out. We have done this. We keep our word to each other. We do it the old-fashioned way, sort of the way we called a law being passed when I first came here 30 years ago. That is why we are at this point on a bill that used to take sometimes 2 or 3 weeks.

I like the working relationship with the Senator from Kentucky, and I think we are very close to setting a record.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. MCCONNELL. I am pleased to announce to our colleagues there will be no further rollcall votes tonight.

Mr. LEAHY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LEAHY. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Madam President, a number of us during the quorum call were complimenting each other on both sides of the aisle for working through a complex piece of legislation on which we still have some paperwork to do, but it will pass this body unanimously. If any piece of legislation should, it is this one. I alluded to the fact that our responsibility in other parts of the world goes beyond just a sense of altruism. Obviously, to the extent that we alleviate hunger, suffering, and disease in parts of the world, we make those parts of the world able to have stability and become less of a threat to themselves, their neighbors, and also to the United States.

We also have to ask ourselves this question as Americans: When you live in the wealthiest, most powerful Nation history has ever known, with a standard of living for most Americans so substantially above that of billions of other people, when you look at nations where they don't even list the birth of babies until they make sure they survive for a year, or get the kind of normal things my grandchildren get, such as inoculations, vaccinations, and so on, it is almost unheard of—there is either no money for it or no way to bring it to them. And people starve by the thousands in some countries, every month, suffering genocide, slaughter, and some of the worst conditions that exist.

We have a moral responsibility, to the extent that this country can help. Obviously, I am not suggesting America can solve every problem throughout the world. We cannot. But there are areas where we can help—medical help, fighting AIDS, combating polio, measles, diphtheria, dysentery, diseases that kill thousands of people. If every one of us were handed a picture and it said this child is going to starve or die of an easily preventable disease, would you pay 6 cents, or 7 cents, or a dime, or 20 cents to make sure they don't have those childhood diseases, we would say, of course; in fact, we can do that for hundreds more if it would help.

Basically, that is what we are talking about here. The foreign aid budget is a fraction of 1 percent of our total budget—a fraction of 1 percent. A lot of countries give a much larger percentage of their budget. But in many parts of the world, people say America is their hope because we have helped.

That is why I commend those on both sides of the aisle who have joined us in carrying that out, because it is not a political issue, it is not a military issue, it is not a partisan issue; it is a truly moral issue. If we are truly people of God, if we care, this is what we will do. So I commend those Senators who are making it possible.

I ask my friend from Kentucky, are we close to having the final agreement on the managers' package?

Mr. MCCONNELL. Mr. President, I believe our staffs are working on that right now.

Mr. LEAHY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MCCONNELL. Madam President, I ask unanimous consent that the order for the quorum be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENTS NOS. 3680 THROUGH 3701, EN BLOC

Mr. MCCONNELL. Madam President, I have a managers' package here that has been approved on both sides. I send it to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Kentucky (Mr. MCCONNELL) proposes amendments numbered 3680 through 3701, en bloc.

The PRESIDING OFFICER. Without objection, the reading will be dispensed with.

Mr. MCCONNELL. I ask unanimous consent that the amendments be agreed to.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments were agreed to, as follows:

AMENDMENT NO. 3680

(Purpose: Technical amendment)

On page 96, line 10 of the bill, insert "central" before "government".

AMENDMENT NO. 3681

(Purpose: Technical amendment)

On page 9, line 21, strike "a program of".

AMENDMENT NO. 3682

(Purpose: Regarding USAID operating expenses)

On page 17, line 26, strike "\$600,000,000" and insert in lieu thereof "\$618,000,000";

On page 58, line 16, strike "\$69,691,000" and insert in lieu thereof "\$59,691,000"; and

On page 59, line 6, strike "\$75,000,000" and insert in lieu thereof "\$67,000,000".

AMENDMENT NO. 3683

On page 105, line 12, after the period, insert the following:

(p) AFFORDABLE HOUSING.—Section 607(b)(3)(B) of Title VI of Division D of the Consolidated Appropriations Act of 2004, P.L. 108-199, January 23, 2004, is amended by striking "and" under subparagraph (A), and inserting before the period in subparagraph (B): "and (C) provide decent, affordable housing."

AMENDMENT NO. 3684

(Purpose: Regarding assistance for Liberia)

On page 24, line 11, after "Kenya:", insert the following: "Provided further, That of the funds appropriated under this heading, not less than \$25,000,000 should be made available for assistance for Liberia:".

AMENDMENT NO. 3685

(Purpose: To limit the extension of certain credit, and for other purposes)

On page 3, line 25, strike the period and insert the following: "Provided further, That

not later than 30 days after the date of enactment of this Act, the Export-Import Bank shall submit a report to the Committees on Appropriations of the House of Representatives and the Senate, containing an analysis of the economic impact on United States producers of ethanol of the extension of credit and financial guarantees for the development of an ethanol dehydration plant in Trinidad and Tobago, including a determination of whether such extension will cause substantial injury to such producers, as defined in section 2(e)(4) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(e)(4)): *Provided further*, That the Export-Import Bank shall consult with the Committees on Appropriations and the Senate Committee on Finance prior to extending direct credit or financial guarantee to establish or expand the production of indigenous products for export by a beneficiary country pursuant to section 423 of the Tax Reform Act of 1986 (19 U.S.C. 2703 note)."

AMENDMENT NO. 3686

(Purpose: To express the sense of the Senate on the need for international support for the interim government of Haiti)

At the appropriate place in the bill, insert the following:

IMPROVING SECURITY IN HAITI

SEC. . (a) Congress makes the following findings:

(1) Haiti is important to the national security interests of the United States.

(2) The United States has contributed significant assistance to support the political, economic and social development of Haiti with limited and uneven results.

(3) The Haitian people are currently suffering from extreme poverty, threats from armed groups who control large areas of the country, and violations of human rights, including kidnappings.

(4) As of September 22, 2004, Tropical Storm Jeanne killed more than 1,000 people, with many hundreds remaining missing, in Gonaives and other areas of Haiti, and caused severe destruction of property.

(5) The Interim Government of Haiti under Prime Minister Gerard Latortue is attempting to initiate much needed reforms and bring political stability to the country prior to the reintroduction of anticipated democratically-elected governance in 2005.

(6) On July 19-20, 2004, the international community pledged \$1,085,000,000 in assistance for Haiti, including \$230,000,000 from the United States.

(7) The immediate challenges facing Haiti are (a) addressing the insecurity and instability caused by armed groups who are undermining the ability of the Interim Government of Haiti to combat poverty and create the conditions for free and fair elections; (b) establishing the rule of law; and (c) economic reactivation and job creation.

(8) On April 30, 2004, the United Nations Security Council authorized the United Nations Stabilization Mission in Haiti (MINUSTAH) 6,700 military personnel and 1,622 civilian police personnel, but as of July 31, 2004, only 2,259 military personnel and 224 civilian police personnel had been deployed.

(9) MINUSTAH is essential to efforts to restore stability and security, including countering the activities of rebels, ex-combatants and other armed groups.

(b) Congress—

(1) appreciates the contributions of military and civilian police personnel to MINUSTAH by Brazil and other nations;

(2) calls upon the Secretary of State to redouble his efforts to encourage contributions of additional personnel to MINUSTAH;

(3) calls upon MINUSTAH to assertively fulfill its mandate under Chapter VII of the

United Nations Charter to "ensure a secure and stable environment within which the constitutional and political process in Haiti can take place", by confronting and resolving security threats to the Interim Government of Haiti and the people of Haiti;

(4) calls upon the United States and the international community, including the United Nations and the Organization of American States, to expedite the disbursement of sufficient assistance to enable the Interim Government of Haiti to—

(a) address Haiti's urgent humanitarian needs, including to assist Haitians affected by Tropical Storm Jeanne;

(b) increase employment and promote economic development; and

(c) carry out democratic elections in 2005;

(5) calls upon the Interim Government of Haiti to make every effort to ensure that all political parties can participate fully and freely in the electoral process; and

(6) notes that the failure to establish a secure and stable environment and to conduct credible and inclusive elections will likely result in Haiti's complete transition from a failed state to a criminal state.

AMENDMENT NO. 3687

(Purpose: Regarding medically accurate information on condom use)

On page 12, line 12, strike "nothing" and everything thereafter through "1961" on line 15 and insert in lieu thereof: "information provided about the use of condoms as part of projects or activities that are funded from amounts appropriated by this Act shall be medically accurate and shall include the public health benefits and failure rates of such use".

AMENDMENT NO. 3688

(Purpose: Regarding assistance for Greece)

On page 51, line 16, after the colon, insert: "Provided further, That of the funds appropriated under this heading, not less than \$2,000,000 shall be made available for assistance for Greece:".

AMENDMENT NO. 3689

On page 38, strike line 23 through "treaties" on page 39, line 1, and insert in lieu thereof the following: "of civilians forcibly displaced by such groups; and (4) the Government of Colombia has not enacted legislation inconsistent with its obligations under the United States-Colombian treaty on extradition, and has committed to the United States that it will continue to extradite Colombian citizens to the United States, including members of such illegal armed groups, in accordance with that treaty".

AMENDMENT NO. 3690

At the appropriate place in the bill insert:
REPORT ON GLOBAL POVERTY AND NATIONAL SECURITY

SEC. . Not later than 180 days after the date of the enactment of this Act, the Secretary of State, in consultation with other relevant federal agencies, shall submit a report to Congress on the impact of global poverty on the national security of the United States, which shall include: (1) an evaluation of the effects of global poverty on United States efforts to promote democracy, equitable economic development, and the rule of law in developing countries; (2) a description of the relationship between global poverty and political instability, civil conflict, and international terrorism; and (3) recommendations for improving the ability of the United States Government to effectively address the problems in (1) and (2) by combating global poverty, including possible organizational changes within the Federal government.

AMENDMENT NO. 3691

(Purpose: Regarding assistance for Nepal)

On page 169, line 20, after the period insert:

(d) Funds made available for assistance for Nepal pursuant to subsection (a) may be made available if the Secretary of State reports to the Committees on Appropriations that the Government of Nepal is: (1) complying promptly with habeas corpus orders issued by the Supreme Court of Nepal, including all outstanding orders; (2) cooperating with the National Human Rights Commission of Nepal to resolve all cases of disappearances; and (3) granting the National Human Rights Commission of Nepal unimpeded access to places of detention: Provided, That the Secretary of State may waive the requirements of this subsection if he determines and reports to the Committees on Appropriations that to do so is in the security interests of the United States.

AMENDMENT NO. 3692

(Purpose: To provide that \$10,000,000 should be made available to reduce the threat that man-portable air defense systems could be acquired by terrorists or by state sponsors of terrorism)

On page 45, line 21, strike "funds." and insert "funds: *Provided further*, That of the funds appropriated under this heading, \$10,000,000 should be made available to reduce the threat that man-portable air defense systems ('MANPADS') could be acquired by terrorists or by state sponsors of terrorism."

AMENDMENT NO. 3693

(Purpose: To provide \$10 million in election related assistance to Haiti through the OAS)

on page 118, strike lines 9-11 and insert in lieu thereof the following:

"(3) 35,000,000 from "Economic Support Fund", \$25,000,000 of which shall be made available or judicial reform programs, and \$20,000,000 of which shall be made available for to the Organization of American States for expenses related to the organization and holding of free and fair elections in Haiti in 2005; and".

AMENDMENT NO. 3694

(Purpose: To require a report on reform of the education sector in Pakistan)

On page 183, after line 23, insert the following new section.

REPORT ON EDUCATION REFORM IN PAKISTAN.

(a) Not later than 90 days after the date of enactment of this Act, the Secretary of State shall submit a report to the appropriate congressional committees

(1) describing the strategy of the Government of Pakistan to implement education reform in Pakistan, and the strategy of the Government of the United States to assist Pakistan to achieve that objective;

(2) providing information on the amount of funding—

(A) obligated and expended by the Government of Pakistan and the Government of the United States, respectively, for education reform in Pakistan, since January 1, 2002;

(B) expected to be provided by the Government of Pakistan and Government of the United States, respectively, for education reform in Pakistan, including any assistance to be provided by the United States pursuant to the commitment of President Bush to provide \$3,000,000,000 in assistance to Pakistan during fiscal year 2005 through fiscal year 2009; and

(3) discussing progress made in achieving education reform in Pakistan since January 1, 2002.

(b) DEFINITIONS.—In this section—

(1) the term "appropriate congressional committees" means—

(A) the Committees on Appropriations and International Relations of the House of Representatives; and

(B) the Committees on Appropriations and Foreign Relations of the Senate;

(2) the term "education reform" includes efforts to expand and improve the secular education system in Pakistan, and to develop and utilize a moderate curriculum for private religious schools in Pakistan.

AMENDMENT NO. 3695

On page 128, line 19, after "shall" insert the following: "consult with the appropriate congressional committees,".

AMENDMENT NO. 3696

(Purpose: To urge the President, the United States Permanent Representative to the United Nations, and other appropriate United States officials to work to dissuade member states of the United Nations from supporting resolutions that unfairly castigate Israel and to promote within the United Nations General Assembly more balanced and constructive approaches to resolving conflict in the Middle East)

On page 183, after line 23, add the following:

UNITED NATIONS RESOLUTIONS ON ISRAEL

SEC. 599F. (a) The Senate makes the following findings:

(1) The United Nations General Assembly and United Nations Security Council have over a period of many years engaged in a pattern of enacting measures and resolutions castigating and condemning the state of Israel.

(2) Despite the myriad of challenges facing the world community, the United Nations General Assembly has devoted a disproportionate amount of time and resources to castigating Israel;

(3) During the fifty-seventh session of the United Nations General Assembly, the General Assembly adopted a total of 80 resolutions by roll call vote, 23 of which related to Israel and were opposed by the United States.

(4) The United States has a responsibility to promote fair and equitable treatment of all nations in the context of international organizations, including the United Nations.

(b) It is the sense of the Senate that the President, the United States Permanent Representative to the United Nations, and other appropriate United States officials should—

(1) work to dissuade member states of the United Nations from voting in support of United Nations General Assembly resolutions that unfairly castigate Israel; and

(2) promote within the United Nations General Assembly more balanced and constructive approaches to resolving the conflict in the Middle East.

(c) Section 406(b)(4) of the Foreign Relations Authorization Act, Fiscal Years 1990 and 1991 (Public Law 101-246; 22 U.S.C. 2414a(b)(4)) is amended by inserting after "United States" the following: ", including a separate listing of all plenary votes cast by member countries of the United Nations in the General Assembly on resolutions specifically related to Israel that are opposed by the United States".

AMENDMENT NO. 3697

(Purpose: To express the sense of Congress on actions of the President to address violations of religious freedom in Saudi Arabia)

On page 183, after line 23, add the following:

SENSE OF THE SENATE ON VIOLATIONS OF RELIGIOUS FREEDOM IN SAUDI ARABIA

SEC. 599F. It is the sense of Senate that, in light of the designation of Saudi Arabia as a country of particular concern under section 402(b)(1)(A) of the International Religious Freedom Act of 1998 (22 U.S.C. 6442(b)(1)(A)) because the Government of Saudi Arabia has engaged in or tolerated particularly severe

violations of religious freedom, the President should—

(1) under the authority in section 402(c)(2) and 405(c) of such Act, negotiate a binding agreement with the Government of Saudi Arabia that requires such Government to phase out any program, policy, or practice that contributes to the violations of religious freedom occurring or being tolerated in Saudi Arabia; or

(2) take an action described in one of the paragraphs (9) through (15) of 405(a) of such Act or a commensurate action under the authority in section 402(c)(1)(B) of such Act with respect to Saudi Arabia that the President determines is appropriate after consideration of the recommendations for United States policy made by the United States Commission on International Religious Freedom.

AMENDMENT NO. 3698

On page 139, line 22, after “conflict” insert: , respond to disasters,

AMENDMENT NO. 3699

On page 112, line 4, after “FINES”, insert: “AND REAL PROPERTY TAXES”

On page 112, line 10, after “penalties”, insert: “and unpaid property taxes”

On page 112, line 15, after “penalties”, insert: “and unpaid property taxes”

On page 112, line 24, after “penalties”, insert: “and unpaid property taxes”

On page 113, line 1, after “(d)”, insert: “(1)”

On page 113, line 2, after “(a)”, insert: “with respect to parking fines and penalties”

On page 113, line 6, after “so.”, insert: “(2) The Secretary of State may waive the requirements set forth in subsection (a) with respect to the unpaid property taxes if the Secretary of State determines that it is in the national interests of the United States to do so.”

On page 113, line 13, after “penalties”, insert: “and unpaid property taxes and interest”

On page 114, line 12, after “2004”, insert: “(4) The term ‘unpaid property taxes’ means the amount of unpaid taxes and interest on such taxes that have accrued on real property in the District of Columbia or New York, New York under applicable law.”

AMENDMENT NO. 3700

(Purpose: To express support for the sovereignty, territorial integrity, and political independence of Lebanon)

On page 183, after line 23, add the following:

SUPPORT FOR THE POLITICAL INDEPENDENCE OF LEBANON

SEC. 599F. (a) The Senate makes the following findings:

(1) The United States has long supported the sovereignty, territorial integrity, and political independence of Lebanon and the sole and exclusive exercise by the Government of Lebanon of national governmental authority throughout that country.

(2) The continued presence in Lebanon of nongovernmental armed groups and militias, including Hizbollah, prevents the Government of Lebanon from exercising its full sovereignty over all territory in that country.

(3) The Government of Syria has had a military presence in Lebanon since 1976, and maintains approximately 20,000 troops in Lebanon.

(4) The Government of Syria continues to violate United Nations Security Council Resolution 520, adopted in 1982, which demands that “all non-Lebanese forces” leave Lebanon.

(5) Syria has, since 1979, been labeled by the Department of State as a state sponsor of terrorism.

(6) President George W. Bush signed an Executive order on May 11, 2004, that imple-

ments sanctions against the Government of Syria pursuant to the Syria Accountability and Lebanese Sovereignty Restoration Act of 2003 (Public Law 108-175; 22 U.S.C. 2151 note), demonstrating the resolve of the United States to address both the continued military presence of Syria in Lebanon and the support of the Government of Syria for terrorism.

(7) United Nations Security Resolution 1559, approved on September 2, 2004, expressed support for a free and fair electoral process in the upcoming presidential election in Lebanon conducted according to constitutional rules adopted in Lebanon without foreign interference or influence.

(8) On September 3, 2004, the Government of Syria, according to numerous reports, exerted undue influence upon government officials in Lebanon to amend the constitution to extend the term of the President of Lebanon, Emile Lahoud, who is supported by the Government of Syria.

(b) Congress—

(1) commends President George W. Bush for implementing sanctions on the Government of Syria pursuant to the Syria Accountability and Lebanese Sovereignty Restoration Act of 2003;

(2) urges the United Nations to seek a firm, negotiated schedule for the complete withdrawal from Lebanon of Syria armed forces in order to facilitate the restoration of the sovereignty, territorial integrity, and political independence of Lebanon;

(3) calls upon the Government of Syria to immediately withdraw its troops from Lebanon in accordance with United Nations resolutions;

(4) demands that the Government of Syria—

(A) cease its support and armament of terrorist groups such as Hizbollah; and

(B) facilitate efforts by the legitimate national government and armed forces of Lebanon to disarm all nongovernmental armed groups and militias located in Lebanon and to extend central government authority throughout Lebanon; and

(5) condemns all efforts to derail the democratic process in Lebanon and to interfere with the legitimate election process in that country.

AMENDMENT NO. 3701

On page 134, line 16, after the period insert:

(e) AVAILABILITY AND USE OF FUNDS.—Funds appropriated under the heading “International Organizations and Programs” that are not made available for UNFPA because of the operation of any provision of law shall remain available until September 30, 2006: *Provided*, That funds made available pursuant to this section may not be used for any other purpose, notwithstanding the authority contained in sections 451, 610 and 614 of the Foreign Assistance Act of 1961, or any other provision of law unless specifically authorized in subsequent legislation.

AMENDMENT NO. 3685

Mr. GRASSLEY. Madame President, I rise to offer an amendment. My amendment serves two purposes. First, to ensure that credit guarantees extended by the Export-Import Bank to help build an ethanol dehydration plant in Trinidad and Tobago did not violate the Bank's charter. And, second, to ensure that Congress has prior notification before similar credit is extended by the Bank in the future.

Much to my dismay, I recently learned that the Export-Import Bank approved approximately \$9.6 million in taxpayer guaranteed credit insurance to help Angostura Limited finance the

construction of an ethanol dehydration plant in Trinidad and Tobago. The purpose of this credit insurance was to enable Angostura Limited to purchase equipment which will be used to dehydrate up to 100 million gallons of ethanol annually from Brazil and re-export the ethanol to the United States duty-free under the current Caribbean Basin Initiative trade preference program. I am deeply concerned that the extension of this credit may have violated the letter and spirit of the Export-Import Bank's own authorizing statutes.

Section 635(e) of the authorizing statute states that the Bank is not to provide credit or financial guarantees to expand production of commodities for export to the United States if the resulting production capacity is expected to compete with U.S. production of the same commodity and that the extension of such credit will cause substantial injury to U.S. producers of the same commodity. The statute further provides that “the extension of any credit or guarantee by the Bank will cause substantial injury if the amount of the capacity for production established, or the amount of the increase in such capacity expanded, by such credit or guarantee equals or exceeds 1 percent of United States production.” The total 100 million gallon capacity of the facility in question is nearly four percent of U.S. production. Thus, the capacity of this plant clearly exceeds the one percent threshold for causing substantial injury to the U.S. ethanol industry outlined in the authorizing statute. This raises serious questions as to whether it was within the Bank's authority to issue credit for the construction of the Angostura Limited facility.

Because the amount financed by the Export-Import Bank was less than \$10 million dollars no detailed economic impact analysis was conducted by the Bank. Thus, the Export-Import Bank never conducted an analysis to determine whether this plant will cause substantial injury to ethanol facilities in the United States. Let's be clear—the potential economic impact of financing this facility is significant. This new facility will be able to dehydrate up to 100 million gallons of Brazilian ethanol per year for duty-free export to the United States. The capacity of this single facility far exceeds total annual U.S. imports of ethanol from the entire Caribbean region, which have never exceeded about 60 million gallons in any one year. This fact alone should have raised concerns within the Export-Import Bank as to whether it was appropriate to provide financing for this project.

It is now time to get all the facts from the Export-Import Bank. This amendment requires that the Bank conduct an economic impact analysis on this project and report within 30 days after the enactment of this bill on whether or not this facility will cause substantial injury to U.S. and Iowa producers of ethanol. If so, the Export-

Import Bank may have violated its own statutory authority. If that is the case, we will evaluate what further actions to take at that time.

I also want to note that no public notice was provided in the Federal Register during the Bank's consideration of whether to provide credit financing for this project, and no written report was issued setting out the basis for the Bank's decision. I am confident that public notice and greater transparency throughout this process would have provided interested parties such as myself an opportunity to comment on this proposal. I want to make sure the general public and I have an opportunity to comment on proposals for similar projects in the future. Thus, my amendment will also require consultation with the appropriate committees before credit is extended for similar purposes.

Recently I introduced S. 2762 which would prohibit ethanol from getting duty-free access through the Caribbean Basin Initiative trade preference program unless the ethanol is produced substantially with inputs from the Caribbean Basin nations. The purpose of this legislation is to close the loophole in the Caribbean Basin Initiative which enables companies such as Angostura Limited to transship Brazilian ethanol to the United States duty-free. Sadly, the extension of credit for the facility in Trinidad and Tobago flies in the face of this goal. Instead of helping to close the loophole, the Export-Import Bank's actions actually help foreign companies exploit it. These actions seem to violate common sense. I intend to do all I can to try to determine how the Export-Import Bank came to this decision and, hopefully, to make sure the Bank does not make similar decisions in the future.

I appreciate the willingness of Chairman McCONNELL and Ranking Member LEAHY in working with me to include my amendment as part of this legislation. Their understanding of the importance of this issue to my home state of Iowa and many others in the United States is appreciated. I also appreciate their understanding of the importance of making sure that taxpayer money is being used appropriately and that the Export-Import Bank is operating within the confines, and spirit, of its statutory authority.

AMENDMENT NO. 3693

Mr. DODD. Madam President, as I noted earlier today on the Senate floor, I had the privilege of attending the inaugural ceremony of His Excellency Miguel Angel Rodriguez to be the next Secretary General of the Organization of American States. It was an honor to be present for that event. I was inspired by the words of the Secretary General as he assumed his new office.

Earlier today, I put the entire speech in the CONGRESSIONAL RECORD so that our colleagues would have an opportunity to review it. One paragraph in particular caught my attention because it is so relevant to what we are attempting to do with the programs we fund in the legislation before us:

In this twenty-first century, inspired by the values we share, imbued with the ideals of our forefathers, and outraged by the pain of poverty, inequity and exclusion, we women and men of the Americas must redouble our efforts, to expedite the achievement and full exercise of human freedom and dignity.

These words are especially relevant to the abysmal state of affairs in Haiti. We truly should be outraged by the poverty, inequity and exclusion that most of the 8 million Haitians live with everyday.

Two-thirds of Haiti's 8 million people live in poverty. Twenty-five percent of Haitian children under the age of five are chronically malnourished. The average life expectancy is 53 years. The infant mortality rate is 80 per 1000 births—an extraordinarily high percentage. HIV/AIDS affects more than 5 percent of the Haitian population—the highest infection rate in the Western Hemisphere and comparable to rates being experienced in Sub Saharan Africa.

And if an ordinary day in Haiti was not bad enough, natural disasters had made recent days even more unspeakable. Over the last 4 months these natural disasters have made an already vulnerable population more endangered. Four months ago, flooding took the lives of 1,700 Haitians. More recently, Tropical Storm Jeanne has already been responsible for the deaths of at least 1,000 people—we will probably never know the full extent of lives lost as many bodies swept out to sea during the torrential rains will never be recovered.

As if that were not enough, insecurity prevails through most of the country with armed gangs threatening to kill individuals for their political views or affiliations.

Secretary General Rodriguez is absolutely right: We truly must redouble our efforts so that every Haitian can live in freedom with dignity, rather than in abject poverty and pervasive insecurity.

In that regard, I appreciate the attention that the chairman and ranking member of the subcommittee have paid to Haiti's plight in the bill before us. Even though the overall allocation in the fiscal year 2005 budget for foreign assistance programs is very limited, the bill before us contains approximately \$80 million in assistance for Haiti: \$20 million in Child Survival and Health programs; \$25 million in development assistance to support agricultural and environmental and other development related programs; \$25 million in Economic Support funds for judicial reform programs, and \$10 million of International Narcotics and Law Enforcement Control monies for police training.

I certainly support all of those allocations. But given the challenges confronting Haiti today, it isn't nearly enough.

More importantly, it neglects a very critical and immediate need confronting Haiti now, namely planning and organizing elections so that the interim, unelected regime can be re-

placed by a government chosen by the Haitian people in free and fair elections.

Past experience makes it patently obvious that without the assistance of the international community, Haitian authorities will be unable to conduct municipal, parliamentary and presidential elections next year. Some steps have been taken to begin the electoral process. The new Provisional Electoral Council, CEP, has been formed, but it has yet to agree on a calendar for the elections or on the measures necessary to ensure their success. But the CEP alone will not be able to conduct these elections without money and technical assistance from the international community.

The United Nations has already asked the Organization of American States to assist the CEP with the first steps toward holding elections, namely creating a voter registration list. Further down the road the OAS will be asked to assist with other aspects of the elections. The OAS is willing and committed to assisting Haiti with its electoral process, but it cannot do it without adequate funding. The amendment I have proposed to the pending legislation would contribute \$10 million for that effort.

Mr. President, \$10 million won't cover the entire costs of Haiti's elections, but it is an important signal that the US is prepared to be a partner in that effort. It should also position the OAS to solicit additional funds from other interested OAS members.

The United States has committed itself and our resources to assisting Iraq and Afghanistan conduct elections over the next 6 months. Surely we can do as much for a small country in our own hemisphere. Are the people of Haiti any less worthy to live in freedom and democracy than those in Iraq or Afghanistan? I do not believe they are—I hope my colleagues don't either. And for that reason I would urge that they support this amendment.

AMENDMENT NO. 3694

Mr. BIDEN. Mr. President, I propose this amendment in the hope that it will help Congress to assess the progress that is being made in reforming Pakistan's secular and religious educational system. This objective, shared by the Governments of Pakistan and the United States, must be addressed. If the next generation of Pakistani youth is denied the benefits of a sound, modern, ideologically moderate education, the results could be tragic for both of our nations.

The President has committed the United States to a 5-year, \$3 billion package of assistance to Pakistan, a key ally in the South Asia region in the war against al-Qaida, but also a place where radical fundamentalism has taken root. One important element of this U.S. aid package to Pakistan is assistance for educational reform.

Because of the many problems plaguing Pakistan's education system, many parents in that country turn to the vast, unregulated system of madrassas, or religious academies. These madrassas range from well-run schools teaching both Western and Islamic subjects side-by-side, to a far larger number of institutions that provide only the very most rudimentary education, in either religious or secular topics. Of greatest concern—to U.S. and Pakistani interests alike—are a small but significant number of madrassas that indoctrinate their students with radical, violent ideology, and sometimes serve as training camps and recruitment offices for militant organizations and terrorist groups.

When President Musharraf was our guest in the Senate in June 2003, he specifically highlighted the urgent need for educational reform as a key priority, and one for which he requested U.S. assistance. With regard to the madrassa system, President Musharraf has already laid out what should be done—the task now is to stop strategizing and start doing it. First, all madrassas should be registered with the government. Second, a uniform basic curriculum should be promulgated: this curriculum should include instruction in subjects like math, science and other non-religious topics, so that religious education is a part of the course at these academies, but not the totality. Third, instruction at madrassas should not foster extremist or violent ideology, and should not include military or paramilitary training.

For the past 3 years, various officials of the U.S. government have been stating that progress was right around the corner. For years, we have been told that if we provide Pakistan with debt relief, Islamabad will use the savings in debt service to undertake serious educational reform. Yet it is not clear that much has been done.

The reporting requirement set forth in this amendment will ensure that the Congress has adequate information about the amount of funding provided for educational reform and the strategy for undertaking such reform. We should have a clear strategy—and the means by which to evaluate the progress of educational reform in Pakistan.

DESERT LOCUSTS

Ms. LANDRIEU. Madam President, I would like to commend Chairman MCCONNELL and ranking member LEAHY for drafting a Foreign Operations Appropriations bill that provides a generous amount of foreign assistance to help vulnerable people around the world. Their bi-partisan efforts have resulted in a strong bill that addresses many of the needs that exist across our globe.

I would like to discuss a crisis that is growing in West Africa and that is the crop destruction occurring from a rampant outbreak of desert locusts during harvest season. When we talk of

improving living conditions in Africa, we must first look at whether Africa has enough food to sustain its needs. Regrettably, civil wars, poor agricultural practices, poor weather conditions, or pests and vermin leave Africa on the brink of hunger all too often. Today, the United Nation's Food and Agriculture Organization reports the Sahel in West Africa is under invasion from desert locusts. Locust swarms have infested nearly four million hectares. Wide-spread crop damage has been reported, and the FAO fears West Africa's food supplies and food security may be in jeopardy. If action is not taken, millions of people could face famine and starvation.

The international community is only now beginning to realize the gravity of this crisis. Donor nations have pledged \$37 million to the FAO's efforts to eradicate the desert locust in West Africa. The United States has committed \$4 million in Fiscal Year 2004 pledges, and I am grateful for this contribution. However, the FAO says these pledges fall short of the \$100 million necessary to stem this locust infestation. So much more needs to be done.

As we move the FY 2005 Foreign Operations bill to conference, I would hope that Congress and the Executive branch would take a further look at the gravity of the situation in West Africa. Senator LEAHY, I know how committed you are to the economic development of Africa. I hope you would join me in calling on the State Department and the U.S. Agency for International Development to make an even greater contribution to the FAO or direct contributions to nations suffering from locust infestations. Moreover, can we agree to work together in conference to identify FY 2005 funds to ameliorate the crisis in West Africa? Without significant action by the U.S. and the world community, the locusts will only continue wreak havoc in West Africa. After all, FAO predicts locusts hatches will continue through the Fall and spike, once again, in the Spring.

Mr. LEAHY. Mr. President, I concur about the seriousness of these locust swarms. Hunger and famine increase the susceptibility to malaria and other dangerous diseases, and we must help our friends in West Africa fight the spread of locusts. I will call on the USAID Administrator to do more to address this crisis.

Ms. LANDRIEU. Thank you Senator LEAHY for your consideration of my requests.

Ms. LANDRIEU. Madam President, I would like to commend Chairman MCCONNELL and ranking member LEAHY for drafting a Foreign Operations Appropriations bill that provides a generous amount of foreign assistance to help vulnerable people around the world. Their bi-partisan efforts have resulted in a strong bill that addresses many of the needs that exist across our globe. I would like to take this opportunity to present two items that I respectfully request our com-

mittee address in conference negotiations of this bill with the House. These items refer to allocations for the United Nations Development Fund for Women UNIFEM.

UNIFEM works in more than 100 countries to invest in women to reduce poverty, end violence against women, combat HIV/AIDS, and support women's roles in conflict prevention and reconstruction. This investment in women contributes to a more stable world for all countries.

Despite our contributions for UNIFEM's work and mission, the United States has yet to step forward and provide adequate core support to UNIFEM. Our current contribution is \$1 million annually, less than countries like Belgium, whose size and population are less than some of our states. In fact, our total support for UNIFEM is 6 percent of their budget, a considerable distance from the average of 22 percent that the United States contributes to other UN agencies. Additionally, the UNIFEM Trust Fund in Support of Actions to Eliminate Violence Against Women—a key support mechanism for local groups fighting violence—has never received a US government contribution.

As you know, the House has passed a Foreign Operations Appropriations bill that includes greater funding for UNIFEM than is included in the proposed Senate bill. Specifically, the House report says, "The Committee supports a total of \$3,000,000 for the United Nations Development Fund for Women (UNIFEM) including a \$2,000,000 contribution to the Fund and a \$1,000,000 first time contribution to the Trust Fund in Support of Actions to Eliminate Violence Against Women. This level is \$2,000,000 above the request and \$2,006,000 above the level provided in the 2004 act."

I respectfully request that the Senate work to adopt the House recommended support levels for the United Nations Development Fund for Women—UNIFEM—and the UNIFEM Trust Fund in Support of Actions to Eliminate Violence Against Women. Specifically, in conference, I hope the Senate will favorably consider the addition of \$500,000 to the \$1.5 million that is presently allocated to UNIFEM, for a total of \$2.0 million. Second, I respectfully ask that the Senate conferees consider the addition of \$1 million as a first time contribution to the UNIFEM Trust Fund in Support of Actions to Eliminate Violence Against Women. Again, these additions would reflect the sums allocated in the House Foreign Operations Appropriations bill and provide critical assistance to women throughout the developing world.

I hope that Senator LEAHY will work in conference to take actions that are necessary to ensure that the House recommendations are adopted in the final passage of this law.

Mr. LEAHY. Mr. President, I concur about the importance of this funding and will try to address these concerns

in our continued deliberation of the Foreign Operations Appropriations legislation.

Ms. LANDRIEU. I thank Senator LEAHY for his consideration of my requests.

Mr. ENSIGN. Madam President, the last few years have seen an enormous amount of change in the make up of the Middle East. Thanks to the will of President Bush and the skill and sacrifice of our men and women in uniform, Afghanistan and Iraq have been freed from the shackles of oppressive dictatorships. Democracy is taking root, with free elections on the way.

Tragically, there are some countries which choose to oppress rather than liberate the spirit of the people. Syria is one of these countries.

On September 2, U.N. Security Resolution 1559 expressed support for a free and fair electoral process in Lebanon's upcoming presidential election conducted according to Lebanese constitutional rules devised without foreign interference or influence. On September 3, according to numerous reports, the Government of Syria exerted undue influence upon Lebanese government officials to amend the constitution to extend the term of Syrian-backed President Emile Lahoud.

That was wrong, but hardly surprising given the role of Syria in Lebanon. In 1976 Syrian armed forces entered Lebanon to help prevent a Muslim attack on local Christians. But when the threat of attack subsided, Syrian troops remained. Today 20,000 of them continue their stranglehold on Lebanon.

The time has come for Syria to release her grip on Lebanon. Lebanon is a sovereign nation. It should be allowed to exercise control over its territory—all of its territory—and not be hampered by the continued presence of Syrian military forces.

The United States has long supported the political independence of Lebanon, as has the international community. Syria has been in violation of U.N. Security Council Resolution 520, demanding that "all non-Lebanese forces" leave Lebanon since September 17, 1982.

That is why I believe it is particularly important that President Bush for implemented sanctions on Syria pursuant to the Syria Accountability and Lebanese Sovereignty Restoration Act of 2003, demonstrating U.S. resolve to address the Syria's continued military presence in Lebanon and its support for terrorism.

I implore my colleagues to recognize the importance of keeping pressure on Syria. This resolution urges the United Nations to seek a firm, negotiated timetable for complete withdrawal of Syrian armed forces from Lebanon, in order to facilitate the restoration of Lebanon's sovereignty, territorial integrity, and political independence. It calls upon the Government of Syria to immediately withdraw its troops from

Lebanon in accordance with United Nations resolutions. It demands that the Government of Syria cease its support and armament of terror groups such as Hezbollah and facilitate efforts by the legitimate government and armed forces of Lebanon to disarm all non-governmental armed groups and militias located in Lebanon and extend central government authority throughout that country. And it condemns all efforts to derail the democratic process and interfere with the legitimate election process in Lebanon.

Like all nations, Lebanon deserves the right to chart its own destiny, to have free and fair elections, and to be free of foreign occupation.

Mr. MCCAIN. Madam President, I support passage of the Foreign Operations Appropriations Act for fiscal year 2005. This important legislation funds the international development and assistance portion of our national budget. By passing this bill, we acknowledge the importance of these programs on a global scale. Supporting foreign aid, military assistance, development funds, democracy programs and other programs should be a matter of course—something that America does as part of its responsibilities as the global superpower.

I commend Senator MCCONNELL, Chairman of the Foreign Operations Subcommittee, and Senator LEAHY, ranking member of the subcommittee, on developing an appropriations measure that is generally free of earmarks. This year's bill provides \$1.96 billion to carry out our many foreign operations programs. I note, however, that the bill falls nearly \$2 billion short of the administration's budget request. In these difficult times, we cannot afford to shortchange programs or misdirect resources that comprise a critical instrument of America's international influence.

In addition, of the total appropriated in this bill, \$64.1 million can be identified as unrequested or unauthorized spending. Let me be clear. Many of the earmarks in this legislation may be worthy projects in and themselves, but they have not gone through the proper legislative process which should be followed if they are to receive U.S. taxpayer funding. In addition, while I may agree with many of the policy positions included in the bill, they should instead be included in authorizing legislation. Policy changes simply do not belong in appropriations legislation, and such inclusions usurp the jurisdiction of the authorizers.

I note with regret that, once again, the Senate has failed to pass an authorization bill prior to considering this legislation. Again, the responsibilities of authorizers and appropriators are expected to be distinct. The Senate Foreign Relations Committee has the responsibility for laying out a blueprint for the policies and funding levels of USAID and the Department of State

and their programs. But because that committee has not been able to move its bill on the Senate floor, we do not have the benefit of its recommendations, which is unfortunate.

The Senate as a whole must place as much emphasis on passing authorization bills and conducting proper oversight as it does on passing appropriations measures. Until we do so, we will continue to fund authorized programs and marginalize many of our committees.

With this said, I must once again convey my gratitude to the members of the subcommittee. Their attention and commitment to supporting vital programs has provided a sound bill with which to fund our foreign operations for the coming fiscal year.

Mr. NICKLES. Madam President, the pending Foreign Operations appropriations bill for Fiscal Year 2005, S. 2674, as reported by the Senate Committee on Appropriations, provides \$19.386 billion in discretionary budget authority and \$26.728 billion discretionary outlays in Fiscal Year 2005. The bill also includes an additional \$43 million in mandatory spending.

The discretionary totals are \$1.933 billion in budget authority and \$250 million in outlays below the President's request.

The discretionary budget authority provided in the bill matches the 302(b) allocation adopted by the Senate Appropriations Committee as well as the amount provided in the House-passed bill. The discretionary outlays provided in the bill are \$57 million less than the 302(b) allocation and \$29 million above the House-passed bill.

Section 595 of the bill includes \$360 million in 2005 budget authority for Iraqi debt relief and Section 599D of the bill includes \$150 million for humanitarian needs in Darfur, Sudan. These amounts are designated emergencies and are paired with a rescission of like amounts of budget authority from the Iraq Relief and Reconstruction Fund, which has an emergency designation. Section 599E of the bill includes an additional \$150 million in emergency budget authority for the Global Fund to Fight AIDS, Tuberculosis, and Malaria. There is no transfer or rescission associated with this provision. All three sections are subject to a Budget Act point of order. While I will not raise a point of order on these provisions I do ask the conferees to hold the line on spending in the bill so that it does not exceed 302(b) allocation and to include appropriate offsets for any provisions with emergency designations.

I ask unanimous consent that a table displaying the Budget Committee scoring of the bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2812, 2005 FOREIGN OPERATIONS APPROPRIATIONS
(SPENDING COMPARISONS—Senate-reported bill (Fiscal Year 2005, \$ millions))

	General purpose	Mandatory	Total
Senate reported bill: ¹			
Budget authority	19,386	43	19,429
Outlays	26,728	43	26,771
Senate Committee allocation:			
Budget authority	19,386	43	19,429
Outlays	26,785	43	26,828
2004 Enacted:			
Budget authority	38,776	44	38,820
Outlays	24,651	44	24,695
President's request:			
Budget authority	21,319	43	21,362
Outlays	26,978	43	27,021
House-passed bill:			
Budget authority	19,386	43	19,429
Outlays	26,699	43	26,742
SENATE-REPORTED BILL COMPARED TO:			
Senate 302(b) allocation:			
Budget authority .....	.....	.....	.....
Outlays	-57	.....	-57
2004 Enacted:			
Budget authority	-19,390	-1	-19,391
Outlays	2,077	-1	2,076
President's request:			
Budget authority	-1,933	.....	-1,933
Outlays	-250	.....	-250
House-passed bill:			
Budget authority .....	.....	.....	.....
Outlays	29	.....	29

Note: Details may not add to totals due to rounding. Totals adjusted for consistency with scorekeeping conventions.

¹ In addition to the amounts shown above, the bill includes \$510 million in 2005 budget authority for emergencies that is paired with a rescission of a like amount of budget authority from the Iraq Relief and Reconstruction Fund, which was an emergency. An additional \$150 million in emergency budget authority for the Global Fund to Fight AIDS, Tuberculosis, and Malaria is also provided, but no transfer or rescission is associated with it.

Mr. LEAHY. Madam President, I want to, once again, thank Senator MCCONNELL for his hard work to pass a very good Foreign Operations bill. I also thank Chairman STEVENS and Senator BYRD.

I want to thank the staff—Paul Groove and LaShawnda Smith for the Majority. Paul worked countless hours to put this bill together. His patience, high standards, meticulous attention to detail, and unwavering good humor are appreciated by all of us.

LaShawnda Smith literally kept the office going.

I want to thank Reb Brownell, a detailee from the State Department, who was extremely helpful at every turn. Reb represents the very best that the State Department has to offer.

And finally, I want to thank Bob Lester of USAID's Office of General Counsel. We literally could not write this bill without Bob. His knowledge of the Foreign Assistance Act and his drafting skills are unequalled. Although Bob talks of retiring, I don't see any way that we can get along without him. None of us are indispensable, but Bob Lester certainly comes as close as humanly possible.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read the third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill pass?

The bill (H.R. 4818), as amended, was passed, as follows:

(The bill will be printed in a future edition of the RECORD.)

Mr. MCCONNELL. I move to reconsider the vote and move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under the previous order, the Senate insists on its amendment and requests a conference with the House.

The Presiding Officer (Ms. MURKOWSKI) appointed Senators MCCONNELL, SPECTER, GREGG, SHELBY, BEN-

NETT, CAMPBELL, BOND, DEWINE, STEVENS, LEAHY, INOUE, HARKIN, MIKULSKI, DURBIN, JOHNSON, LANDRIEU, and BYRD conferees on the part of the Senate.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. MCCONNELL. Madam President, have we now completed both the bill and the appointment of conferees?

The PRESIDING OFFICER. The Senator is correct, yes.

Mr. MCCONNELL. I thank both the majority and minority staff for their excellent work on this and commend my friend and colleague, Senator LEAHY, for his important contribution again this year as usual.

Mr. LEAHY. Madam President, I thank both the distinguished Democratic leader, Mr. REID, and the distinguished chairman of the Appropriations Subcommittee, Mr. MCCONNELL. They were able to finish up the bill. I say again—as I said in my statement complimenting the Senator from Kentucky and his able staff and also my able staff—we have set an all-time record on a very complex piece of legislation in getting it through. I compliment the Senator.

Mr. MCCONNELL. I compliment my friend from Vermont. Maybe we can break our record next year.

I extend my thanks to Paul Grove, the majority staff director, for his fine work on this bill; Tim Rieser, as well, on the Democratic side. It is always a pleasure to work with them. They are great professionals who have done a marvelous job in smoothing the passage that we have achieved tonight on voice vote.

NOTICE

Incomplete record of Senate proceedings. Except for concluding business which follows, today's Senate proceedings will be continued in the next issue of the Record.

ORDERS FOR FRIDAY, SEPTEMBER 24, 2004

Mr. MCCONNELL. Madam President, I ask unanimous consent that when the Senate completes its business today, it adjourn until 10 a.m. on Friday, September 24. I further ask that following the prayer and the pledge, the morning hour be deemed to have expired, the Journal of proceedings be approved to date, the time for the two leaders be reserved, and the Senate then begin a period of morning business with Senators permitted to speak therein for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. MCCONNELL. Madam President, for the information of all Senators, tomorrow the Senate will be in morning business throughout the day, and there

will be no rollcall votes during tomorrow's session.

I remind our colleagues that we will be considering the intelligence reform bill beginning Monday of next week. This will be one of the most important issues before the Senate during this entire Congress. We want all Senators to plan accordingly. We will have more to say about next week's schedule during tomorrow's session.

ADJOURNMENT UNTIL 10 A.M. TOMORROW

Mr. MCCONNELL. Madam President, if there is no further business to come before the Senate, I ask unanimous consent that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 9:56 p.m., adjourned until Friday, September 24, 2004, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate September 23, 2004:

DEPARTMENT OF DEFENSE

BUDDIE J. PENN. OF VIRGINIA, TO BE AN ASSISTANT SECRETARY OF THE NAVY, VICE H. T. JOHNSON.

DEPARTMENT OF STATE

RYAN C. CROCKER, OF WASHINGTON, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF CAREER MINISTER, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE ISLAMIC REPUBLIC OF PAKISTAN.

MARCIE B. RIES, OF THE DISTRICT OF COLUMBIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF ALBANIA.

NATIONAL SCIENCE FOUNDATION

DAN ARVIZU, OF COLORADO, TO BE A MEMBER OF THE NATIONAL SCIENCE BOARD, NATIONAL SCIENCE FOUNDATION FOR A TERM EXPIRING MAY 10, 2010, VICE MAXINE L. SAVITT, TERM EXPIRED.

STEVEN C. BEERING, OF INDIANA, TO BE A MEMBER OF THE NATIONAL SCIENCE BOARD, NATIONAL SCIENCE FOUNDATION FOR A TERM EXPIRING MAY 10, 2010. (RE-APPOINTMENT)

GERALD WAYNE CLOUGH, OF GEORGIA, TO BE A MEMBER OF THE NATIONAL SCIENCE BOARD, NATIONAL SCIENCE FOUNDATION FOR A TERM EXPIRING MAY 10, 2010, VICE ANITA K. JONES, TERM EXPIRED.

KELVIN KAY DROEGEMEIER, OF OKLAHOMA, TO BE A MEMBER OF THE NATIONAL SCIENCE BOARD, NATIONAL SCIENCE FOUNDATION FOR A TERM EXPIRING MAY 10, 2010, VICE ROBERT C. RICHARDSON, TERM EXPIRED.

LOUIS J. LANZEROTTI, OF NEW JERSEY, TO BE A MEMBER OF THE NATIONAL SCIENCE BOARD, NATIONAL SCIENCE FOUNDATION FOR A TERM EXPIRING MAY 10, 2010, VICE GEORGE M. LANGFORD, TERM EXPIRED.

ALAN I. LESHNER, OF MARYLAND, TO BE A MEMBER OF THE NATIONAL SCIENCE BOARD, NATIONAL SCIENCE FOUNDATION FOR A TERM EXPIRING MAY 10, 2010, VICE LUIS SEQUEIRA, TERM EXPIRED.

JON C. STRAUSS, OF CALIFORNIA, TO BE A MEMBER OF THE NATIONAL SCIENCE BOARD, NATIONAL SCIENCE FOUNDATION FOR A TERM EXPIRING MAY 10, 2010, VICE JOSEPH A. MILLER, JR., TERM EXPIRED.

KATHRYN D. SULLIVAN, OF OHIO, TO BE A MEMBER OF THE NATIONAL SCIENCE BOARD, NATIONAL SCIENCE FOUNDATION FOR A TERM EXPIRING MAY 10, 2010, VICE PAMELA A. FERGUSON.

IN THE COAST GUARD

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES COAST GUARD UNDER TITLE 14, U. S. C., SECTION 271:

To be commander

GERARD P. ACHENBACH, 0000
KENNETH M. ALBEE, 0000
PAUL ALBERTSON, 0000
THOMAS ALLAN, 0000
HERBERT M. ANDREWS, 0000
PAUL G. BACA, 0000
RONALD J. BALD, 0000
POLLY P. BARTZ, 0000
CLIFFORD B. BATES, 0000
CLIFFORD K. BAYUK, 0000
JEFFREY A. BENOIST, 0000
KORY J. BENZ, 0000
ERIC J. BERNHOLZ, 0000
ROBERT A. BEVINS, 0000
PAUL E. BOINAY, 0000
JOSEPH A. BOUDROW, 0000
PETER M. BRODA, 0000
BASIL F. BROWN, 0000
JEFFREY S. BROWN, 0000
WILLIAM J. BURNS, 0000
MICHAEL D. CALLAHAN, 0000
JOHN F. CAMERON, 0000
VIRGINIA K. CAMERON, 0000
WILLIAM K. CAMERON, 0000
CLAUDIA J. CAMP, 0000
TODD J. CAMPBELL, 0000
RONALD J. CANTIN, 0000
MAX A. CARUSO, 0000
GREGORY D. CASE, 0000
RICK D. CHRISTOFFERSEN, 0000
TIMOTHY J. CIAMPAGLIO, 0000
SCOTT W. CLENDENIN, 0000
DOUGLAS J. CONDE, 0000
TIMOTHY P. CONNORS, 0000
SAMUEL R. CREECH, 0000
CHRISTINE N. CUTTER, 0000
JAMES J. DEMPSEY, 0000
LAURA M. DICKEY, 0000
MICHAEL C. DICKEY, 0000
JONATHAN B. DUFF, 0000
DIANE W. DURHAM, 0000
DONALD R. DYER, 0000
STUART H. EHRENBERG, 0000
ROBERT A. ENGLE, 0000
TIMOTHY J. ESPINOZA, 0000
MARK L. EVERETT, 0000
MARK A. EYLER, 0000
RANDALL D. FARMER, 0000
BRIAN T. FISHER, 0000
WILLIAM A. FOX, 0000
JON G. GAGE, 0000
SEAN P. GILL, 0000
EVAN C. GRANT, 0000
HUGH R. GRIFFITHS, 0000
RICHARD HAHN, 0000
JONATHAN D. HELLER, 0000
WILLIAM D. HENNESSY, 0000
PATRICIA J. HILL, 0000
MICHAEL K. HOLLAND, 0000
MICHAEL D. HUNT, 0000
JAMES T. HURLEY, 0000
JAMES K. INGALLSBE, 0000
KENNETH IVERY, 0000
JEFFREY C. JACKSON, 0000
KEITH B. JANSSEN, 0000
ERIC W. JOHNSON, 0000
LANE D. JOHNSON, 0000
MICHAEL J. JOHNSTON, 0000
THOMAS L. KAYE, 0000
CHRISTOPHER S. KEANE, 0000
PATRICK A. KEFFLER, 0000
JOSEPH B. KIMBALL, 0000
JAMES C. KOERMER, 0000
JOHN T. KONDRATOWICZ, 0000
ERIK C. LANGENBACHER, 0000
WILLIAM J. LAWRENCE, 0000
MARK S. LENASSI, 0000
WINSTON E. LESLIE, 0000
AARON LEVER, 0000
IAN LIU, 0000
RICHARD E. LORENZEN, 0000
MICHAEL G. LUPOW, 0000
TODD W. LUTES, 0000
ROBERT D. MACLEOD, 0000
JOSEPH J. MAHR, 0000
PETER F. MARTIN, 0000
GREGORY S. MATLIN, 0000
KYLE P. MCAVOY, 0000
SCOTT MCCARTNEY, 0000

SHANNON W. MCCULLAR, 0000
MATTHEW G. MCDONALD, 0000
ROBERT E. MCFARLAND, 0000
TIMOTHY M. MCGUIRE, 0000
JOHN W. MCKINLEY, 0000
JAMES MCLAUGHLIN, 0000
JAMES D. MCMAHON, 0000
JOHN K. MERRILL, 0000
GLEN J. MINE, 0000
PETER A. MINGO, 0000
SEAN K. MOON, 0000
DAVID R. MORGAN, 0000
DAVID W. MURK, 0000
THOMAS O. MURPHY, 0000
MATTHEW L. MURTHA, 0000
KEVIN S. NASH, 0000
JOHN P. NEWBY, 0000
ANDREW J. NORRIS, 0000
JAMES S. OKEEFE, 0000
GEORGE J. PAITL, 0000
CHRISTOPHER K. PALMER, 0000
MANUEL J. PEREZ, 0000
CARY J. PORTER, 0000
GREGORY T. PRESTIDGE, 0000
JEFFREY L. RADGOWSKI, 0000
LUKE M. REID, 0000
ERIC C. RIEPE, 0000
MARK S. RUSSELL, 0000
PETER A. SCHICHTEL, 0000
PHILIP C. SCHIFFLIN, 0000
TODD A. SCHMIDT, 0000
TALMADGE SEAMAN, 0000
SANDRA K. SELMAN, 0000
DAVID P. SEMNOSKI, 0000
MICHAEL E. SENEAL, 0000
HOWARD R. SHAW, 0000
CHARLES M. SIMERICK, 0000
MARK W. SKOLNICKI, 0000
JOHN P. SLAUGHTER, 0000
SCOTT J. SMITH, 0000
ANDREW J. SORENSON, 0000
CHARLES SRIODDOM, 0000
GREGORY G. STUMP, 0000
SCOTT S. STUTZ, 0000
ANDREW M. SUGIMOTO, 0000
BRAD L. SULTZER, 0000
SAMUEL J. SUMPTER, 0000
ANDREA L. THOMAS, 0000
ROBERT J. THOMAS, 0000
BRIAN P. THOMPSON, 0000
GARY I. TODD, 0000
GEORGE J. TOLBERT, 0000
HELEN K. TOVES, 0000
DANIEL J. TRAVERS, 0000
DARRYL P. VERFAILLIE, 0000
EVAN WATANABE, 0000
VALERIAN F. WELICKA, 0000
GEORGE P. WELZANT, 0000
CASEY J. WHITE, 0000
HAROLD G. WHITLEY, 0000
TODD C. WIEMERS, 0000
STEVEN M. WISCHMANN, 0000
JANE C. WONG, 0000
AYLWYN S. YOUNG, 0000
ELIZABETH D. YOUNG, 0000

IN THE AIR FORCE

THE FOLLOWING AIR NATIONAL GUARD OF THE UNITED STATES OFFICERS FOR APPOINTMENT IN THE RESERVE OF THE AIR FORCE TO THE GRADES INDICATED UNDER TITLE 10, U.S.C., SECTION 12203:

To be major general

BRIG. GEN. DAVID A. BRUBAKER, 0000
BRIG. GEN. ALAN L. COWLES, 0000
BRIG. GEN. ALLEN R. DEHNERT, 0000
BRIG. GEN. HARRY W. FEUCHT JR., 0000
BRIG. GEN. CHARLES A. MORGAN III, 0000
BRIG. GEN. MARK R. MUSICK, 0000
BRIG. GEN. FRANK PONTELANDOLFO JR., 0000
BRIG. GEN. ANNETTE L. SOBEL, 0000
BRIG. GEN. FRANK D. TUTOR, 0000
BRIG. GEN. JOHN M. WHITE, 0000

To be brigadier general

COLONEL MICHAEL G. BRANDT, 0000
COLONEL HUGH T. BROOMALL, 0000
COLONEL ROBERT B. BUEHLER, 0000
COLONEL WILLIAM S. BUSBY III, 0000
COLONEL CHARLES M. CAMPBELL, 0000
COLONEL JAMES J. D'AGOSTINO, 0000
COLONEL EUGENE J. DELGADO, 0000
COLONEL RICHARD G. ELLIOTT, 0000
COLONEL JOHN B. ELLINGTON JR., 0000
COLONEL STEVEN E. FOSTER, 0000
COLONEL DONALD D. HARVEL, 0000
COLONEL THOMAS J. HAYNES, 0000
COLONEL ALLISON A. HICKEY, 0000
COLONEL DAVID E. HOLMAN, 0000
COLONEL RICHARD D. KING, 0000
COLONEL JAMES M. LILLIS, 0000
COLONEL DENNIS W. MENEFE, 0000
COLONEL PETER S. PAWLING, 0000
COLONEL RICHARD J. PROSEK, 0000
COLONEL DON E. REYNOLDS, 0000
COLONEL STEPHEN M. SISCHO, 0000

IN THE ARMY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES ARMY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

MAJ. GEN. RAYMOND T. ODIERNO, 0000

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE RESERVE OF THE ARMY TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 12203:

To be major general

BRIG. GEN. RONALD D. SILVERMAN, 0000

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT IN THE UNITED STATES ARMY TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 624:

To be brigadier general

COLONEL RODNEY O. ANDERSON, 0000
COLONEL STEVEN M. ANDERSON, 0000
COLONEL JOHN M. BEDNAREK, 0000
COLONEL MARK A. BELLINI, 0000
COLONEL ROBERT M. BROWN, 0000
COLONEL JOHN F. CAMPBELL, 0000
COLONEL CHARLES T. CLEVELAND, 0000
COLONEL WALTER L. DAVIS, 0000
COLONEL JEFFREY J. DORKO, 0000
COLONEL MICHAEL FERRITER, 0000
COLONEL MARK A. GRAHAM, 0000
COLONEL DAVID D. HALVERSON, 0000
COLONEL JEFFREY C. HORNE, 0000
COLONEL JAMES L. HUGGINS JR., 0000
COLONEL RODNEY L. JOHNSON, 0000
COLONEL NICKOLAS G. JUSTICE, 0000
COLONEL BRIAN A. KELLER, 0000
COLONEL MICHAEL J. LALLY III, 0000
COLONEL HARVEY T. LANDWERMEYER, 0000
COLONEL SUSAN S. LAWRENCE, 0000
COLONEL KEVIN A. LEONARD, 0000
COLONEL ANNE F. MACDONALD, 0000
COLONEL RICHARD R. MCPHEE, 0000
COLONEL JAMES M. MILANO, 0000
COLONEL THEODORE C. NICHOLAS, 0000
COLONEL PETER J. PALMER, 0000
COLONEL WILLIAM N. PHILLIPS, 0000
COLONEL BELINDA PINCKNEY, 0000
COLONEL ERNEST E. PORTER, 0000
COLONEL RICKEY L. RIFE, 0000
COLONEL MICHAEL J. TERRY, 0000
COLONEL CHRISTOPHER TUCKER, 0000
COLONEL MICHAEL S. TUCKER, 0000
COLONEL ANDREW B. TWOMEY, 0000
COLONEL MICHAEL J. WALSH, 0000
COLONEL ROBERT H. WOODS JR., 0000
COLONEL JAMES C. YARBROUGH, 0000

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES ARMY UNDER TITLE 10, U.S.C. SECTION 624:

To be lieutenant colonel

GRAEME J. BOYETT, 0000

IN THE NAVY

THE FOLLOWING NAMED OFFICERS FOR REGULAR APPOINTMENT IN THE GRADES INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTIONS 531 AND 5582:

To be captain

BLAINE E. MOWREY, 0000

To be commander

DANIEL J. ACKERSON, 0000
LESTER S. BOWLING, 0000
WARREN S. INOUE, 0000
ROBERT E. JOHNSON, 0000
PAUL G. METZLER, 0000
TIMOTHY R. SHOPE, 0000
WILLIAM L. STEVENS, 0000

To be lieutenant commander

CHARLES D. ADAMS, 0000
BRIAN N. BOWES, 0000
DAVID R. CRUMBLEY, 0000
PETER J. DONAHER III, 0000
MARK R. DUNCAN, 0000
KIMBERLY A. FERLAND, 0000
AMY R. GAVELL, 0000
RICHARD A. GUERRA, 0000
SUZANNE B. HANEY, 0000
ERIC R. HOFFMAN, 0000
JULIE S. HOWE, 0000
TIPTON D. Q. HUTCHESON, 0000
KAREN J. KOPMANN, 0000
CHARLES S. KUZMA, 0000
ADONIS R. MASON, 0000
TODD J. MAY, 0000
MEDGAR M. MOYA, 0000
STEPHEN J. PANCHYSHYN, 0000
PAMELA PENTIN, 0000
JEFFREY D. QUINLAN, 0000
ROBERT V. RIEGER, 0000
CARRI A. ROBBINS, 0000
ROBERT B. ROBERTS, 0000
SHARON J. ROBERTS, 0000
ALBERTO A. RULLAN, 0000
RICHARD J. SAVAINO JR., 0000
THOMAS A. SCOTT, 0000
DONALD W. SHENENBERGER, 0000
ADRIENNE J. SIMMONS, 0000
FAWN R. SNOW, 0000
MATTHEW W. SOUTHWICK, 0000
ROBERT R. STACHURA, 0000
DANIEL K. STARK, 0000
BUFFY STORM, 0000
JERRY TORRES, 0000
SHANE A. VATH, 0000
BRIAN K. VAZQUEZ, 0000
CHRISTOPHER WESTBROOK, 0000
RICHARD WESTHOFF III, 0000
STACEY K. WRIGHT, 0000

To be lieutenant

JEREMIAH V ADAMS, 0000
 SEAN P AHEARNE, 0000
 BRIAN M AKER, 0000
 PAUL G ALBERS, 0000
 EUGENE A ALBIN, 0000
 KAREN L ALEXANDER, 0000
 DAVID M ALIBERTI, 0000
 DEAN E ALLEN, 0000
 RICARDO ALSTON, 0000
 JEFFREY D ALTON, 0000
 SCOTT T ANDERSON, 0000
 JOEY M ANDRES, 0000
 PAUL T ANNEXSTAD, 0000
 ROBERT P ANSELM, 0000
 THURMAN J ANTINORA, 0000
 AARON C ASH, 0000
 EPI ATENCIO, 0000
 AARON K AYERS, 0000
 CENK AYRAL, 0000
 STEVEN M BAILEY, 0000
 DAVID H BANKART, 0000
 LARRY W BANNON, 0000
 MARTIN J BARLOW, 0000
 JONATHAN L BARON, 0000
 JASON K BARTHOLOMEW, 0000
 TY D BATHURST, 0000
 JAMES W BENDER, 0000
 CHRISTOPHER L BENJAMIN, 0000
 EDWARD X BERDECIO, 0000
 JARED L BICKHAM, 0000
 MICHAEL J BILLMAN, 0000
 BRYAN D BLACK, 0000
 JAMES L BOND, 0000
 DEBORAH L BOYLAN, 0000
 JOSEPH M BOYLES, 0000
 STEPHEN J BRADFIELD, 0000
 LEGENA M BRIEST, 0000
 WILLE D BRISBANE, 0000
 JOHN G BROOM, 0000
 RAY B BROWN, 0000
 JAMES P BURRILL, 0000
 JOHN P BUSER, 0000
 MICHAEL J BUSH, 0000
 NINA M BUTLER, 0000
 AARON L CADLE, 0000
 DAVID A CALDWELL, 0000
 ROSS B CAMPBELL, 0000
 TODD W CANNAN, 0000
 PABLOBENTITO CAPISTRANO, 0000
 BRIAN J CARNEY, 0000
 JAMES M CARRIERE, 0000
 MICHAEL J CASSIDY, 0000
 ROBERT D CASSIDY JR., 0000
 ALAN B CHRISTIAN, 0000
 CHRISTOPHER T CLARK, 0000
 DANIEL W CLARK, 0000
 KALOHI R CLARK, 0000
 DANIEL D COCHRAN, 0000
 LAURIE N COFFEY, 0000
 PATRICK D COFFEY, 0000
 WENDY A COOK, 0000
 GREGORY R COOKE, 0000
 MATTHEW K COOMBS, 0000
 SCOTT C COONAN, 0000
 ROBERT M CORLEY, 0000
 PATRICK S CORRIGAN, 0000
 BENJAMIN F COTE, 0000
 CHARLENE R CRANDALL, 0000
 CURTIS T CREWS, 0000
 KEVIN R CROCKETT, 0000
 JODY M DANIEL, 0000
 TODD M DANTONIO, 0000
 JOHN B DAY, 0000
 DEAN C DEBOURGE, 0000
 DANA A DEOSTER, 0000
 EARL J DEMERSSSEMAN II, 0000
 JOHN M DICK, 0000
 MARK H DICKINSON, 0000
 RUSSELL E DICKS, 0000
 JORDAN DIXEY, 0000
 BRIAN L DORSEY, 0000
 JORITTA DOTSONHARDY, 0000
 TIMOTHY D DOUGHERTY, 0000
 STEVEN M DOWNS, 0000
 CARRIE L DREYER, 0000
 SCOTT E DUNN, 0000
 NATHANIAL K ELAM, 0000
 BOYD A ELLIS, 0000
 JOSHUA C ELLISON, 0000
 MICHAEL P ELROD, 0000
 ERIC M EMERY, 0000
 THOMAS A ESPARZA, 0000
 ANTHONY S ESTEP, 0000
 MATTHEW J FAHNER, 0000
 HOLLY M FALCONIERI, 0000
 GORDON P FAULKNER, 0000
 MATTHEW J FIFIELD, 0000
 KALLIE D FINK, 0000
 DANIEL K FISHER, 0000
 DOUGLAS G FITCHETT, 0000
 ANDREW K FORTMANN, 0000
 SUSAN M FRANCIS, 0000
 DAWN E GALVEZ, 0000
 JOHN D GATES, 0000
 DAMIAN M GELBAND, 0000
 DAVID M GERACE, 0000
 HEATHER M GHIRARDI, 0000
 JUSTINE GILBERT, 0000
 ANDREW J GILLESPIY, 0000
 VANESSA GIVENES, 0000
 RICHARD M GLEASON JR., 0000
 VICTOR J GLOVER, 0000
 JENNIE L GOLDSMITH, 0000
 DAVID M GONZALEZ, 0000
 CHARLES H GOODSON, 0000

MATTHEW D GOODWIN, 0000
 MATTHEW J GRASER, 0000
 BLAIR R GREENLAW, 0000
 JENNIFER M GREENOUGH, 0000
 JOHN C GREER, 0000
 JOHN A GUARINO, 0000
 SHELLEY J HAKSPIEL, 0000
 SEAN HANSON, 0000
 BENJAMIN J HEINEMEIER, 0000
 SIDDHARTHA D HERDEGEN, 0000
 TED W HERING, 0000
 WERNHER C HEYRES, 0000
 JEFFREY M HIBBARD, 0000
 DAVID C HICKS, 0000
 JIMMY B HIERS JR., 0000
 JOHN N HILL, 0000
 WILLIAM A HILL, 0000
 RONALD L HOAK II, 0000
 BRIAN R HODGES, 0000
 JEFFREY A HODGES, 0000
 JASON G HOPFTIEZER, 0000
 JOHN S HOLZBAUR JR., 0000
 VANESSA C HOPGOOD, 0000
 DAVID J HUBER, 0000
 CHRISTINA A HULTIN, 0000
 BOHUSLAV J HUMPLIK, 0000
 STEVEN E ISOMURA, 0000
 AUSTIN M JACKSON, 0000
 JAMES S JAEHNIG, 0000
 BRUCE L JENNINGS, 0000
 BRETT W JOHNSON, 0000
 NATHAN A JOHNSON, 0000
 JOHANNES E JOLLY, 0000
 DOUGLAS W JONES, 0000
 MATTHEW S JONES, 0000
 THOMAS C JONES, 0000
 GREGORY G JONIC, 0000
 JOSEPH B JUDKINS, 0000
 RYAN L KAHLE, 0000
 WALTER M KAHLE III, 0000
 JEFFREY P KECK, 0000
 GABRIEL M KELLY, 0000
 JOHN J KERLEE, 0000
 RYAN C KIDDER, 0000
 JOHN M KILLILA, 0000
 WILLIAM D KOONE, 0000
 KEITH S KULOW, 0000
 BRETT M KUTANSKY, 0000
 DUSTIN KWOK, 0000
 STANLEY M LAKE JR., 0000
 JANET L LAMB, 0000
 JODY P LANDRY, 0000
 THOMAS E LANSLEY, 0000
 AMY K LARSON, 0000
 ROBERT C LEINES, 0000
 STEPHEN T LEPPER, 0000
 ROBERT P LEOPOLD, 0000
 KEITH B LOFLAND, 0000
 PETER A LOGAN, 0000
 BRIAN J LONGBOTTOM, 0000
 HUNG K LUI, 0000
 TODD D LUNSFORD, 0000
 WILLIAM A LUTAT, 0000
 JONI M MAKAR, 0000
 BENJAMIN J MARTIN, 0000
 RONALD R MARTIN, 0000
 PATRICK C MARZLUFF, 0000
 EDWARD J MARZ, 0000
 JOSEPH A MASTRANGELO, 0000
 ROBERT D MATTHIAS, 0000
 MEGAN S MATTINGLY, 0000
 JAMES L MCARDLE JR., 0000
 ROBERT D MCCLURE, 0000
 PAUL N MCKELVEY, 0000
 GREGORY G MCCLAUGHLIN, 0000
 DONALD M MCNEIL, 0000
 JOHN W MCNEILL, 0000
 CLAUDE M MCROBERTS, 0000
 SCOTT A MEAIRS, 0000
 BRIAN J MCHALEK, 0000
 STACIE A MILAVEC, 0000
 JOHN A MILLS, 0000
 CHARLES A MINNER, 0000
 JAMES S MITTAC IV, 0000
 COREY A MOORE, 0000
 JASON S MOORE, 0000
 CHRISTOPHER K MORGAN, 0000
 CHRISTOPHER M MORINELLI, 0000
 CHRISTOPHER J MORRIS, 0000
 JAMES M MORTON III, 0000
 STEVEN S MOSS, 0000
 SCOTT A MULLINS, 0000
 JORGE JR MUNIZ, 0000
 LAMONT D NAHKGANG, 0000
 ANDREW J NAPOURANO, 0000
 MARJORIE C NASIN, 0000
 JOSHUA P NAUMAN, 0000
 DAVID S NAVA, 0000
 DAVID G NEAL, 0000
 ELYSIA G H NGBAUMHACKL, 0000
 MARK P NICHOLS, 0000
 DAVID A NORKIN, 0000
 ERIC S OEMLERICH, 0000
 PAUL B OFCHARIK, 0000
 AMARYLLIS B OLASEHINDE, 0000
 ANTHONY J OWENS, 0000
 AARON A PATTERSON, 0000
 LOUISA L PIRMANNN, 0000
 JAMES D POE, 0000
 HAROLD S POULTON, 0000
 DAVID J PRATT, 0000
 DANIEL R PROCHAZKA, 0000
 ROBERT J RAJOTTE, 0000
 RICHARD J RAYOS, 0000
 ANNE E READER, 0000
 JEFFREY A REASEY, 0000
 ANDREW T REEVES, 0000
 PAUL S REINHART, 0000
 WILLIAM A REVAK, 0000
 JEFFREY M REYNOLDS, 0000
 JEREMY R RICH, 0000
 JACK C RIGGINS, 0000
 RICHARD A RIISMA, 0000
 BRIAN R RILEY, 0000
 DEBORAH E ROBINSON, 0000
 KRISTOPHER A ROBINSON, 0000
 DAVID W RODEBUSH, 0000
 ADRIAN M RODZIANKO, 0000
 CAMERON W ROGERS, 0000
 JOSHUA A ROSE, 0000
 PAUL S ROSE, 0000
 ANTHONY D ROY, 0000
 GREGGORY D RUSSELL, 0000
 PATRICK J RYAN, 0000
 JOSEPH P SACCOMAN, 0000
 EDUARDO E SALAZAR, 0000
 PAUL M SALEVSKI, 0000
 ANTHONY T SAXON, 0000
 SALVADOR M SUAREZ, 0000
 JARED M SCHAFF, 0000
 JEFFERY L SCHELL, 0000
 DAVID C SCHOPPLER, 0000
 BENJAMIN J SCHWARTZ, 0000
 ANTHONY SCLAFANI, 0000
 JAMIE C SCOTT, 0000
 AMANDA J SEIDEL, 0000
 SARAH T SELFKYLER, 0000
 TRACY L SEMONIK, 0000
 STEVEN J SHAUBERGER, 0000
 JONATHAN C SHEPARD, 0000
 KATHARINE K SHOBE, 0000
 ASHLEY E SHUPE, 0000
 BENJAMIN O SIMPSON, 0000
 ELISHA E SINGLETON, 0000
 JOSEPH P SLAUGHTER II, 0000
 STEVEN D SMIRALDO, 0000
 KEVIN J SMITH, 0000
 BONNIE S STAHLMAN, 0000
 JEFFREY D STANCIL, 0000
 THOMAS J STEFFENSEN, 0000
 KEVIN R STEPHENS, 0000
 TERESA A STEVENS, 0000
 BRETT A STEVENSON, 0000
 BENJAMIN A STICKNEY, 0000
 TIMOTHY J STINSON, 0000
 OLIVER T STORMER, 0000
 JAMES A STRAFFORD JR., 0000
 STEPHEN N STRAYER, 0000
 DAVID C SULLIVAN JR., 0000
 MICHAEL B SWEENEY, 0000
 ADAM I TAFF, 0000
 STEPHEN H TAYLOR, 0000
 SPENCER E TEMKIN, 0000
 WILLIAM B THAMES, 0000
 RODNEY A THOMAS, 0000
 SALVADOR TORRESACOSTA, 0000
 ELIZABETH A TRAVIS, 0000
 ADAM N TURNER, 0000
 JUAN C URIBE, 0000
 JOANNE B VANHORN, 0000
 BENJAMIN D VANBUSKIRK, 0000
 KRISTEN D VECHINSKI, 0000
 MATTHEW J VILLARREAL, 0000
 PHILIP D VOYER, 0000
 YEN H WAGNER, 0000
 PATRICK H WAINRIGHT, 0000
 JAMES S WALKER, 0000
 NATHAN A WALKER, 0000
 WILLIAM K WALKER, 0000
 DAVID D WANER, 0000
 CHRISTOPHER S WATSON, 0000
 JASON D WEAVER, 0000
 JEFFREY P WEIGLE, 0000
 CHAD E WELBORN, 0000
 CHRISTOPHER C WESTPHAL, 0000
 PAUL J WEWERS, 0000
 MARK A WEYMOUTH, 0000
 ANDREW T WILKES, 0000
 JOHN E WILLIAMS, 0000
 MICHAEL D WINN, 0000
 JIMMIE I WISE, 0000
 RICHARD J WITT, 0000
 JOHN M YAKUBISIN, 0000
 KANA YANG, 0000
 RICHARD G ZEBER, 0000
 BROOKE M ZIMMERMAN, 0000
 JOHN W ZUMWALT, 0000

To be lieutenant junior grade

OSCAR D ANTILLON, 0000
 CHARLES W BEAUFORT, 0000
 BRADLEY A BENNETT, 0000
 CHRISTOPHER M BROWN, 0000
 MICHAEL C BRYAN, 0000
 LENA C BUETTNER, 0000
 DONALD J CALKINS, 0000
 MELISSA S CARTER, 0000
 LAKESHA A CHIEVES, 0000
 MELISSA M CLARADY, 0000
 SHAWN A COLEMAN, 0000
 KELLEIGH A CUNNINGHAM, 0000
 CONSTANCE L DANNEY, 0000
 SHANE H DERY, 0000
 JAMES W EVANS, 0000
 MICHAEL A FERRARA, 0000
 THEODORE J FOSTER JR., 0000
 NATHAN J GAMMACHE, 0000
 KEVIN A HAMMER, 0000
 ROGER L HUFFSTETTLER II, 0000
 ANDREW C JAMES, 0000
 THOMAS J JAMES, 0000
 DENNIS W JENSEN, 0000

WILLIAM C KAYSER, 0000
JENNIFER L R KISER, 0000
CARL W KOCH, 0000
TIMOTHY B KUEHN, 0000
ROBERT F LANG II, 0000
TENILLE LATOURRETTE, 0000
JUSTIN C LEGG, 0000
ERIC D LOCKETT, 0000
BRETT M MCDANIEL, 0000
RONNIE R MCGILLVERY, 0000
CLINT W MILLER, 0000
MARK R MONAHAN, 0000
MARC M MORHACK, 0000
MARK E OCONNELL, 0000
WILLIAM A PALMER, 0000
JOSEPH H PETH, 0000

CHRISTOPHER J PRESSLER, 0000
SHAWN W PYLE, 0000
JOSHUA A ROBBINS, 0000
AARON D SHIFFER, 0000
DOUGLAS H STEELE, 0000
ERIK P ULMEN, 0000
GEOFFREY E WHITAKER, 0000
DONALD R WHITE, 0000
BRITTON D WINDELER, 0000
MATTHEW J WOLFE III, 0000
JOSHUA D WYNN, 0000
VICTORIA A YODER, 0000

THE FOLLOWING NAMED OFFICERS FOR TEMPORARY
APPOINTMENT TO THE GRADE INDICATED IN THE
UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTION
5721:

To be lieutenant commander

JERRIS L BENNETT, 0000
TREMAYNE G CRINER, 0000
VINCENT D GARCIA, 0000
PATRICK D HANEY, 0000
TERESA A HURD, 0000
LANCE C LANTIER, 0000
CHRISTOPHER M NELSON, 0000
DAVID J REILLY, 0000
RONALD L STOWE, 0000
CHARLOS D WASHINGTON, 0000
DOUGLAS D WASKIEWICZ, 0000
JESSE J ZIMBAUER, 0000